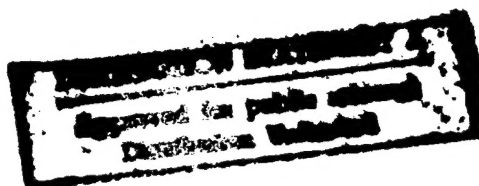


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West Europe Report

No. 2055



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4 November 1982

WEST EUROPE REPORT

No. 2055

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RENEWAL OF SAUDI OIL CONTRACT TO 'CONFIRM' DIVERSIFICATION

Paris L'USINE NOUVELLE in French 7 Oct 82 p 83

[Article by Eric Walther: "A New Deal in the Paris-Riyadh Oil Agreement"]

[Text] France wants to avoid putting all of its dollars in the same barrels. Renegotiation of its 1974 agreement with Saudi Arabia gives it an opportunity to diversify its oil supply sources. For both security and price reasons, a downward revision of the agreement appears certain.

Eight million tons? Six million? Perhaps even less? Speculation is rife on the eve of negotiations between Paris and Riyadh on renewal of the contract for sale of Saudi crude oil to France.

Concluded in 1974 upon Michel Jobert's initiative and renewed for 3 years in 1979, this agreement between Saudi Arabia's PETROMIN and France's SOFRACOP [French Oil Marketing Company]--joint subsidiary of Elf-Aquitaine and Total--will in all likelihood experience an appreciable reduction in the amount of oil it now covers (12 million tons per year). But exactly how much of a reduction? The extreme secrecy with which French government officials are preparing for these negotiations is indicative of the magnitude of the stakes involved.

Indeed this is an opportunity to confirm our political will to diversify and thus enhance the security of our sources of crude oil supplies, while continuing to maintain our good trade relations with the oil-producing countries. At a time when France has lowered its crude oil imports by 15 percent, when there is continued uncertainty about the future price per barrel and the situation in the Middle East, the difficulties of implementing this diversification policy are obvious.

There is already an incipient change in the relative percentage of crude oil we purchase from each of our suppliers. This is particularly true in the case of our European suppliers--Great Britain and Norway--whose share has doubled and is now 9 percent. The latest Professional Oil Board statistics show that during the period August 1981-July 1982, Saudi crude oil accounted for 34.8 percent of our oil imports, a drop of 23.6 percent.

The economic problems created by a shrinking market are aggravated by crude oil price and quality considerations. At \$34 per barrel, Saudi oil is relatively expensive when we compare its quality with that of higher grade oil from the North Sea or certain African countries. And OPEC's present internal dispute concerns not only compliance with production quotas--Saudi output has dropped to 5 million barrels a day--but also with differentials, in other words with the balancing of prices on the basis of the various qualities or grades of crude oil. Above and beyond these factors which directly affect French oil companies, there is our government's definition of its international policy and that policy's impact on trade matters.

In September 1981, Francois Mitterrand visited Saudi Arabia. This was proof of the importance attached to the Wahhabi kingdom on the international scene. That country is, of course, our third leading supplier. But it is also our ninth ranking customer. French-Saudi commercial contracts are far from insignificant. Over the past 3 years, large Saudi orders for French arms--valued at more than 14 billion francs in 1980--have been accompanied by major contracts awarded to such private French firms as Technip for the Jubail refinery and Bouygues for construction of the University of Riyadh.

And yet during the period June 1981-June 1982, our exports to Saudi Arabia covered no more than 21 percent of our imports from that country. This situation is a strong argument in favor of the Foreign Trade Ministry's current "fine-comb" country-by-country and product-by-product analysis of our foreign trade in an effort to restore certain trade balances. While this action may indicate the possibility of a quid pro quo in the renewal of our oil purchase contract, it is likewise indicative of a probable reduction in the amount of oil to be covered by that agreement.

Neither too much nor enough. Such is the way we are inclined to summarize the terms of that agreement, providing an agreement is actually reached, because there is also talk of a possible moratorium. In this connection, Riyadh has already agreed to a 50 percent reduction in deliveries to SOFRACOP during this last quarter of the year. Saudi Arabia's changing financial situation--like that of other OPEC members--has altered the balance of forces.

OPEC's Declining Balance of Trade

According to some estimates, OPEC's overall balance of trade surplus has and will continue to decline considerably in 1982. Indeed, OPEC might have a deficit balance on current account. As for Saudi Arabia, it would have to produce at least 6 million barrels per day to have a favorable balance of payments.

Consequently the weight of the interests on each side of the bargaining table tends to balance. And the image of stability and leadership portrayed by Saudi Arabia in the Middle East is tarnished by its difficulties in maintaining harmony within OPEC.

8041

CSO: 3519/56

BRIEFS

OIL TANKER CHARTERED--The tanker "Port-Vendres, chartered for 1 year by the French Navy, has arrived in Toulon. This 28,000-ton ship, build in Yugoslavia in 1973, was refitted at Brest to give it an abeam and astern underway replenishment capability. The ship's entirely civilian crew has begun its training. Its presence in the Mediterranean will substantially improve the fleet's situation. As a matter of fact, the "Meuse" [underway replenishment tanker], a new ship, has had to perform two missions in the Middle East and the tanker "Isere" is assigned to duty in the Indian Ocean. Late this year, the navy is to receive the "Var" underway replenishment tanker which is similar to the "Durance" and "Meuse." There are plans for a fourth ship of this class. Yet the charter concept does have its advantages. The British Navy has a Royal Fleet Auxiliary Service manned by civilian personnel, a solution that our neighbors consider highly satisfactory. [Text] [Paris COLS BLEUS in French 9 Oct 82 p 19] 8041

DRILLING RIG TO SEA--The drilling rig "Nedrill 3" has left the La Seyne shipyard where it was built for North Sea operations. This 10,000-ton platform is 166 meters high and 56 meters long. It will be based at Rotterdam and be capable of operating under difficult weather conditions. A complement of 70 men will live on board. Another drilling rig, the "Bingo," is under construction at the Mediterranean Industrial and Naval Shipyard (CNIM). [Text] [Paris COLS BLEUS in French 2 Oct 82 p 19] 8041

CSO: 3519/56

RHINE-MAIN-DANUBE CANAL TO BE COMPLETED

Hamburg DER SPIEGEL in German 11 Oct 82 pp 42, 45

[Text] Construction is now to be resumed on the Rhine-Main-Danube Canal under Chancellor Kohl. It was called the "dumbest project since the Tower of Babel," by the Schmidt government.

The ink on the coalition agreements between FDP and CDU/CSU and the appointment documents for the new cabinet, was not yet dry when the CSU Chairman Franz Josef Strauss announced the first sign of change on Munich's Marienplatz: "Construction can be resumed on the canal."

Bavaria's minister-president meant the Rhine-Main-Danube Canal which has been planned and worked on since 1921 and which, despite loud objections by economists ("grandiose misinvestment") and ecologists ("gigantic destruction project"), has become a symbol of prestige for the Free State.

Strauss did not, of course, get his scoop from coalition papers or cabinet resolutions. It was, rather, the product of the obviously well functioning old boy network. Chancellor Helmut Kohl had personally "authorized" his friend from Bavaria to announce this news item involving billions on the periphery of the turbulence in Bonn.

Even the conservative FRANKFURTER ALLGEMEINE called it a canal boondoggle and wondered about the "doggedness" of the responsible politicians, "as if the welfare of Bavaria depended on it alone."

In any event it is enough for the Free State that the Federal government must put up two marks for every one invested by Bavaria in the waterway. In all more than three billion marks have so far been sunk in the remote, economically weak territory of Franconia and Lower Bavaria in this way.

Whether the canal can upon completion carry goods in a way that makes sense without politically structured subvention has, over the years, become more and more doubtful. The forecasts on future freight volume on the canal have sunk within a decade from 20 million tons yearly to something like 3 million tons.

Accurate cost-benefit calculations have, of course, never been able to stand the test for the prestige symbol. For the true friends of the canal it was never a matter of that. Strauss' predecessor, Alfons Goppel, declared that the "basis for covering costs" was false: "are we to expect the schools to show a profit next?"

More accurate calculations were made only when the public coffers were drastically emptied at the end of the 1970's. In 1981 Transport Minister Volker Hauff reduced the Federal Government's yearly contribution from 150 million marks down to 70 million instead of raising it to the 240 million Bavaria wanted.

Free State boss Strauss smelled a rat. In a letter to Federal Chancellor Schmidt at the beginning of the year he insisted on a "swift completion of the canal." "There can be no more turning back now."

But Schmidt, who as early as the summer of the previous year had made a binding promise to his Austrian colleague Kreisky, was no longer strong enough to push the canal through the cabinet. At the suggestion of Transportation Minister Volker Hauff, the "qualified termination" of the construction project was decided on. Dismayed and indignant, Strauss asked whether the almost finished canal was now to be "reprocessed as a bathing beach" or should "serve as a laundry for political garbage."

Strauss has been relieved of such worries by the secret word between men passed to him by Chancellor Kohl--at least for the time being. For the united environment protectors have already announced use of the costly canal in a way that makes sense to them--with a kayak demonstration. They fear for the wading birds and water fowl which winter in the canal region, for the 159 varieties of nesting birds and 27 varieties of fish and for the "greatest Central European bluethroat population."

The friends of the environment may soon receive help from an unexpected source. For like the Federal transportation minister in the Schmidt cabinet, his successor, Werner Dollinger from Franconia and from the CSU, is an old opponent of the canal.

Dollinger's argument that the costly waterway might someday be lacking in freight traffic was of little effect in countering those enamored by the canal--at that time, in the beginning of the 1960's, as today. At the 18th European transportation conference of the National Defense Transportation Association last March in Munich, it occurred to Bavaria's Interior Minister Gerold Tandler to express the previously unheard argument that the canal would certainly also be of "strategic importance" for the "speedy mobilization of reserves in the event of an armed conflict."

A ship from Mainz to Nuremberg still takes a good 6 days.

9827

CSO: 3620/34

WORLDWIDE RECESSION BLAMED FOR DECLINE IN EXPORTS

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 1 Oct 82 p 1

[Text] The machine, industrial construction, chemical and automobile industries complain: foreign countries are ordering less. Since sales are slow domestically as well, shortened working time threatens.

It seems as though German exports are going smoothly. In the first 8 months of this year German goods worth 281 billion marks were exported. That is still 28 billion or 11 percent more than in the same period last year. At 30 billion marks the export increase would have been three times as much as between January and August 1981. The increase has already surpassed the surplus of the whole year 1981 (about 28 billion marks), to say nothing of the fact that it is approaching the 60 billion marks in this year. That would be twice the figure for 1981. But such a "crumb" would be needed in order to cover the traditionally high and climbing deficits in services and capital transfers.

The robust figures inspire confidence. Only there is no cause for high spirits. The export boom, which has been under way for almost a year and a half, is running out. This is fatal for enterprises whose production lines are operating at reduced capacity anyway. It is also fatal primarily for industry as a whole. Some observers have secretly hoped that the heavy export demand would--repeating earlier experience--crank up the sputtering business motor again. But conditions are different. The fact that the export spark has not jumped is closely linked with declining orders to enterprises, the high financing costs, and also with uncertainty over the official course in economic and financial policy.

In the past few months foreign demand has noticeably weakened. German machine-building, which sells about 60 percent of output abroad, feels it particularly. While export orders here were an effective employment support up to the end of 1981, they have declined ever since then at an increasing rate. In July 1982 the real volume of orders--price increases excluded--was already 14 percent, and in the first 7 months 10 percent below the same periods last year.

Clear indications of weakness in export can also not be overlooked in other branches. This applies even to the German automobile industry, which was of course able to add still further to the already good exports of 1981. In the first 8 months of this year it sold almost 1.6 million passenger vehicles abroad.

This was 21 percent more than in the same period last year. The export quota therefore reached about 60 percent here. Last year the German automobile industry already exported cars worth 60 billion marks. This was more than the Federal Republic needed to pay its "oil bill". But for some time orders from abroad to German automobile firms have been dragging. They are even clearly declining. Since sales are sluggish domestically most firms will probably not be able to avoid shorter shifts (See also page 36).

The trend in commercial vehicles is the same. In the first half of the year exports had increased 10 percent. But in the meantime foreign orders have noticeably dropped.

The chemical industry is also complaining. In July exports for the first time dropped from the same month last year by over 4 percent. All branches were affected. This sector fears that it is much more than a seasonal drop. The run of bad news from the export sections of German firms is likely to continue.

From May to July the volume of incoming foreign orders to German factories--seasonally adjusted--was 7.5 percent lower than during the preceding 3 months. Thus the most important support of Federal German business is wavering threateningly.

One might easily wonder how German industry succeeded in achieving considerable gains of territory abroad. These gains have been due partly to the fact that for some time German products have been attractively priced. The reason for this was the sharp drop in the value of the Deutschemmark. This made German goods attractive. It made them very attractive first of all because in most of the receiving countries prices were rising much more rapidly than in the Federal Republic of Germany. The price drop did not inspire German exporters then to make orderly adjustments of export prices. The margin of rising prices was exploited only moderately and slowly. This shows that German plants were less concerned about making the last attainable mark of profit than in ensuring employment and jobs through strong exports.

In the meantime the devaluation effect has been largely "ironed out." The competitive advantage over important receiving countries in the EEC has probably been lost through the mark revaluation within the European currency system. It still exists of course in relation to the U. S.

In 1979 the dollar cost an average of 1.83 marks. Today on the other hand one has to lay out a round 2.50 marks, although the meantime prices on the other side of the Atlantic have risen much more than in the Federal Republic of Germany. In reverse that means that the American can buy the mark a good quarter cheaper than in 1979. To this extent the mark was devalued against U.S. currency. This explains why the United States, despite poor business conditions, has purchased relatively large amounts of goods from the Federal Republic of Germany: 21 percent more in 1981, 20 percent more in the first half of 1982. But most recently German exports to the U.S. have also been running at a more restrained level. No marvels are to be expected today from a strong devaluation effect.

Not only the U.S. but all the Western countries have been plagued by recession. This is being felt fully now in German export industry, particularly in investment goods sectors, since in the meantime several OPEC countries have fallen into financial straits: oil sales are dropping, and with them the receipts. Some investment projects have to be stretched out and some plans revised from the bottom up, German industrial installation construction is particularly affected. There has of course long been clear warning that the OPEC business would not go on with the same vigor. Last year 53 percent more goods from the Federal Republic were sold in the OPEC area than in 1980.

In the first half year of 1982 German exports again climbed by 31 percent. This was essentially the completion of older orders. Since then it has become much more difficult to secure new contracts from the OPEC states.

Nor will any stimulus come from the developing countries. They are all suffering--both the poor and the rich countries--under the world recession and the unsolved payments problems. Foreign debts are a burden upon them. Most of the states of the East Bloc are also being shaken by them. So it is not to be wondered that German exports to the East, the importance of which stands in inverse proportion to its publicity, have long been stagnant. The big market which many "knights of the East" were prophesying has not come about. The East Bloc as a whole gets fewer goods from the Federal Republic than Switzerland, for example.

While in the near future German exports will be growing noticeably more slowly than previously, and while a record increase is still in sight for the year 1982, this is closely tied to the sluggish growth of imports. This year imports grew so far only at the modest rate of 3.5 percent. The German market is little capable of growth, a sign of the deep depression of industry.

A snapshot: Since the fall of 1981 import prices on the average have not only remained stable, but have even declined. Since at the same time export prices have risen--slightly--the terms of trade have shifted in favor of the Federal Republic: for one export unit it can today "buy" more goods than in the fall of last year. Since 1979 the terms of trade have developed very much in favor of the Federal Republic as a result of the new oil price push.

6108

CSO: 3620/30

CNPFF'S BRANA TALKS ON ENDING WAGE, PRICE FREEZE

Paris L'USINE NOUVELLE in French 7 Oct 82 pp 80-81

[Interview with Guy Brana, vice president of the National Council of French Employers (CNPFF), by Alain Pauche and Francois Roche; date and place not specified]

[Text] How will French industry emerge from the freeze and live with price controls? Guy Brana, CNPFF vice president, answers this question. He underscores two key points: complete lifting of the freeze by 1 July next year, no special priority to this or that sector. One imperative requirement: negotiate on prices exclusive of taxes.

[Question] What is the current status of negotiations between the government and representatives of industrial sectors on prices after the lifting of the price freeze?

[Answer] The present ruthless and rigid wage and price freeze system is scheduled to expire on 1 November. The government has so promised, and it must keep its word. But what will happen then? On this particular point, the situation is not as clear. The government has made an arbitrary distinction between industry, commerce, and services. Controls on the latter will not be lifted until 1 January 1984, whereas industry is supposed to be set free during the first half of 1983. In concrete terms, this means industrial producer prices will be free of controls by 1 July 1983 at the latest. What is going to happen in the meantime? First, all sectors absolutely have to be completely removed from the freeze on 1 November. It was at our request, and to avoid the risk of long delays, that the government gave up the process of firm-by-firm negotiations. Secondly, the vagueness which still surrounds a certain number of points has to be dispelled.

[Question] For example?

[Answer] I considered it essential to start by mid-September drafting moderation agreements specifying the exact dates on which controls would be lifted for each branch or sector. Things have a tendency to drag on. For example, the order lifting the price freeze and detailing the terms and conditions thereof will not be formulated until 20 October. To have everything

ready by 1 November, the government should move much faster. Other points that must be clarified at the very outset: are we referring to prices exclusive of taxes or with all taxes included? We still have no answer to that question.

[Question] Is everything clear about the extent of the price rises allowed industry?

[Answer] Jacques Delors' position on that point is unambiguous: based on an assumed inflation rate of 8 percent in France in 1983, a rise of 7.25 percent in industrial producer prices would be considered "normal." The Competition Directorate seems to want to set a lower ceiling and has begun negotiating on the basis of a 6.5 or 7 percent rise, it being agreed that manufacturers should be authorized to pass on the absolute value of any increases in the price of raw materials.

[Question] What types of contracts do you expect to sign?

[Answer] There will most likely be two types of contracts. The trade federations would sign pledges to fight inflation, thereby permitting certain sectors designated by name to resume a status of quasi-freedom from controls. Those sectors remaining under controls would sign moderation agreements allowing for maximum authorized increases phased over a period of time, with protective clauses for unforeseen variations in the world price of raw materials. That's the situation as far as industrial producer prices are concerned. But we have made considerably less progress with regard to services and commerce.

[Question] And the wage freeze is to end on 1 November....

[Answer] Actually the two problems--wages and prices--are connected. However, a new and most important thing has just happened. In a guidelines letter relative to "labor-management agreements in the public sector," the prime minister plainly stated that any indexation of wages to prices should be ended. This letter, along with other specific terms and conditions, establishes the frame of reference for the wage negotiations that have just begun. It also opens the way for possible simultaneous negotiation on prices after the lifting of the price freeze.

[Question] Have you established an order of priority in which industrial sectors would be freed from price controls?

[Answer] We have asked the government to free on 1 November, for example, those sectors exposed to international competition, and whose prices have evolved quite moderately in the past. But there is no order of priority. If a few sectors are freed from price controls as early as 1 November, then that should satisfy everybody. In such matters, I do not believe we have to preach egalitarianism so as to avoid the risk of offending this or that sector.

[Question] In that case, what happens to solidarity among employers?

[Answer] I believe in solidarity practiced in an atmosphere of freedom, and not in an atmosphere of constraint. We have but one objective: to regain the open space of freedom which alone enables us to continue to compete vigorously in France and in foreign markets.

[Question] In your opinion, does this absence of freedom constitute the major danger facing the business or industrial enterprise?

[Answer] You are referring to "the enterprise in jeopardy," the theme of the 14 December "general assembly" sponsored by the CNPF. But please don't misunderstand us. We are not announcing the "end of the world." Enterprises are not all going to die. Otherwise, everything would die with them. We simply want to alert public opinion to the new difficulties with which the head of a business or industrial enterprise has to cope: shrinking markets, loss of authority because of the Auroux laws, new Social Security charges, the hidden dangers of the Social Security and UNEDIC [National Union for Employment in Industry and Commerce] deficits, and the price freeze. In my personal opinion, the most worrisome sign is the sharp decline in the gross savings of enterprises, depreciation plus undistributed dividends. These savings dropped from 13 percent of the value added in 1979 to approximately 8 percent in April 1982. Where does it stand today after the added drain of the 1 percent increase in the VAT [value-added tax]? Yet the minimum percentage required to reconstitute instrumental or producer's capital is 12 percent. Enterprises that were showing a profit are now going into the red. In the face of all these dangers, heads of business or industrial enterprises currently feel the need to strengthen unity among employers.

[Question] Does this drop in gross savings account for the fact that industrial investment continues to be so anemic, a situation which the President of the Republic recently decried once again?

[Answer] That particular financial reason is not the only reason. We are in a state of zero growth. This is why investments at the present time are designed, more often than not, to improve productivity, whereas a few years ago their purpose was still to create new production capacity. But recent technological developments, particularly, in electronics, data processing, and computer communications, make it possible to obtain spectacular results at moderate investment cost. Industrial investment is certainly not as anemic as some would have us believe. Furthermore, its nature is changing. I might add, without wishing to polemicize, that statements being made by politicians about investment are proof of their total ignorance of the action of investing. The head of a business or industrial enterprise decides to invest in order to beat the competition, to be the best in his sector according to the goals he sets for himself, and not to respond to some appeal or "do a good deed." Investment is one of his profession's noblest and most difficult actions.

8041

CSO: 3519/56

INFLATION RATE INCREASE SEEN APPROACHING ONE-HUNDRED PERCENT

Leftist Government Blamed

Reykjavik MORGUNBLADID in Icelandic 29 Sep 82 p 32

[Article: "The Government Must Work to Reduce Inflation"]

[Text] The graph below is divided into four periods. From 1960 to July 1971 a government of recovery held power, a coalition of the Independence and People's Parties. As may be seen from the graph, inflation showed a quick spurt but the government soon regained control. In Jul 71 Olafur Johannesson formed his first government. Included in it, besides the Progressives, were ministers of the People's Alliances and the Union of Liberals and Leftists. During those years inflation was up sharply. In Aug 74 Geir Hallgrimsson formed a government with the participation of the Independence and Progressive Parties. During that government an effort was made to limit inflation and that effort had some success but in 1977 the situation threatened disaster on account of the impractical wage agreements (the Solstice Agreements). Olafur Johannesson formed his second government at the end of August 1978, this time with ministers from the People's Alliance and People's Party, in addition to the Progressives. Inflation grew rapidly and the government fell in the Autumn of 1979. After the four month minority government of the People's Party, Gunnar Thoroddsen formed the present government in February 1980

The government of Gunnar Thoroddsen set itself a high mark in the battle with inflation: "The government must work to reduce inflation so that by 1982 Icelandic inflation will be comparable to the rates of inflation in its leading trade partners." So it was stated in the Government Covenant. According to this statement, inflation would have had to attain a level this year, 1982, that was no higher than its highest level in, for example, 1960. Unfortunately, the real situation is far from this and inflation is estimated at 60 percent for 1983, as is clear from the graph.

This graph is based upon the cost of living index figures. The most recent figures of the housing costs index show an 86 percent rate of inflation for the year and the wages index speaks for an 84 percent inflation rate.

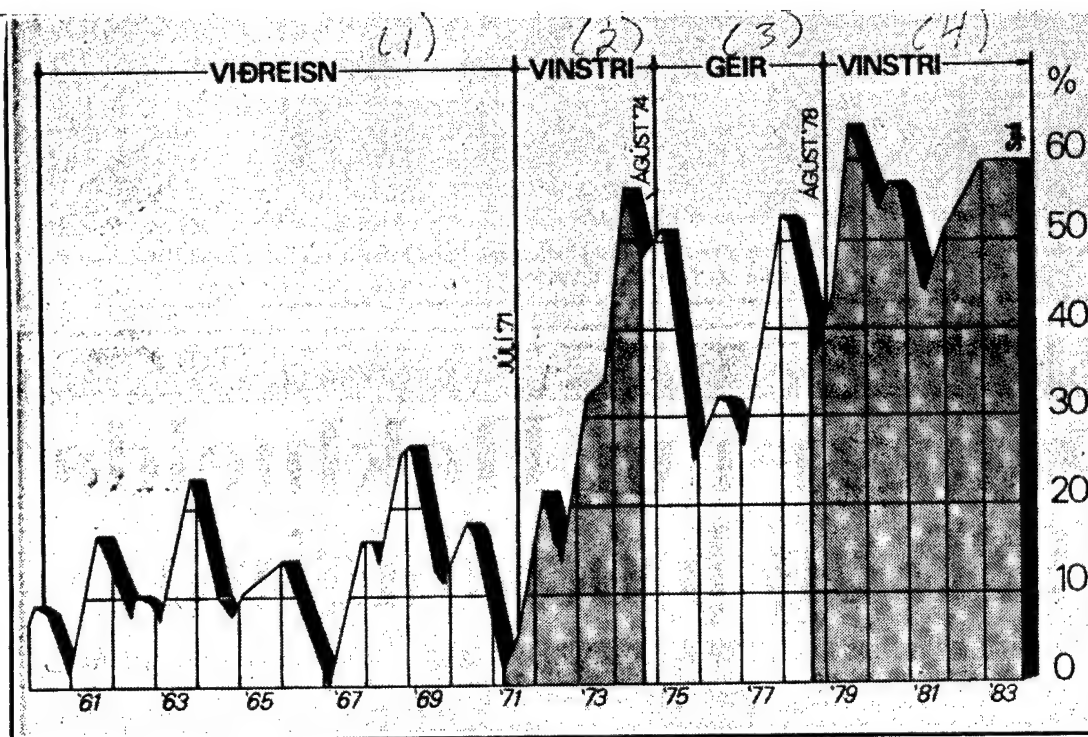


Figure 1. Inflation 1960-1983

Key:

- 1. Recovery Government
- 2. Leftist Government
- 3. Geir Hallgrímsson
- 4. Leftist Government

Current Rate Over Eighty Percent

Reykjavik MORGUNBLADID in Icelandic 29 Sep 82 p 2

[Article: "Rate of Inflation between 84 and 86 Percent"]

[Text] The Icelandic rate of inflation is now in the vicinity of 84 to 86 percent with reference to the increase in the wages index between September and October, on the one hand, and increases in the cost of housing index between July and October, on the other.

The wages index increased by 5.22 percent between September and October, or from 402 points to 423 points. If this increase is projected forward for the next 12 months the inflation rate comes to about 84 percent. During the last 12 months, on the other hand, the wages index has increased by little more than 54 percent, or from 274 points to 423 points.

The housing costs index increased by 16.8 percent during the period July to October, or from 1140 points to 1331 points. If this rate is projected for the next 12 months that yields an inflation rate of little more than 86 percent. During the last 12 months the housing costs index increased by more than 64 percent, or from 811 points to 1331 points.

Paper Sees Threat of Hundred Percent Rate

Reykjavik MORGUNBLADID in Icelandic 2 Oct 82, p 20

[Editorial: "The Threat of 100 Percent Inflation"]

[Text] The government stated in Feb 80 that the rate of inflation in Iceland would be comparable to that of neighboring countries, or under 10 percent. In 1982, on the other hand, government forces threaten that if the provisional government laws of August are not enacted by the Althing "it may be expected that the rate of inflation next year will rise to 100 percent" (editorial in THRJODVILJINN, 30 Sep 82). People's Alliance members issued a resolution in AUSTURLAND on 26 Sep to the same effect and said that they had not hitherto believed that in fact "government opponents would stand united about calling down economic anarchy and 100 percent inflation onto the people" by being against enactment of the provisional laws by the Althing.

These pleas of government forces show their complete collapse. Is it the opposition's fault that the government has completely mismanaged the economy: An inflation rate of 100 percent will happen sooner or later with this government if it continues in confusion--the provisional laws change nothing and, in any case, these acts are in force any time that the Althing is in session, whether they are enacted or not. In the face of an amazing threat of 100 percent inflation, government supporters must find the courage and offer wonderful solutions.

Eggert Haukdal, member of the Althing, thinks that he knows what's wrong with this helpless government. It hasn't occurred to him to be easy on it. In a lead article in SUDURLAND Eggert Haukdal came to the conclusion that "it is clear that the present government has not been able to do what it should have done in economics and employment. It should leave office and a new government take office formed on a new basis."

Economist Attacks Marxist Party Record

Reykjavik MORGUNBLADID in Icelandic 2 Oct 82 p 20

[Editorial: "Svavar Gestsson Has Also Deceived Us"]

[Text] Svavar Gestsson, chairman of the People's Alliance, is minister of health and social security and housing comes under his jurisdiction. Housing is, to be sure, in great disarray. Svanur Kristjansson, a professor of political science at the Icelandic Haskoli, discussed Svavar Gestsson's tenure in the following words yesterday in THJODVILJINN: "...During the government's reign, with the approval of the opposition (the professor attempts to claim

in a new way that the 100 percent inflation rate is the fault of the government opponents, MORGUNBLADID), there has been a silent and unhearded, major reduction in living standards that has affected a whole generation. Young people now have less means than before of owing their own homes. This means, to be sure, nothing less than a wage loss that has had a much greater impact upon that group than a few percentage points fluctuation in purchasing power in a given quarter compared to a given quarter a decade or so ago... Young people are being caught up in a vicious circle wherein credit payments and interest are perpetually too heavy. That has led to a reduction in living standards which continues to operate and affects, first and last, wage earners of the younger generation."

Svavar Gestsson has never been attacked more tellingly for his actions on housing during the present government. Gestsson has also deceived us, the Haskoli professor of political science would say to the readers of THJODVILJINN. Is it an accident that such a proper conclusion has been put forth by the successor of Olafur R. Grimsson at the Haskoli? How does Gestsson respond to the charge that he has locked young people into a vicious circle and caused an automatic reduction in living standards that affects the entire younger generation?

9857

CSO: 3626/3

PROBLEMS OF SOVIET GERMANS IN THE FRG

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 21 Sep 82 p 11

[Text] At least 200,000 Soviet citizens live in the FRG, Soviet German citizens. Who knows this? This fact is almost completely obscured in public. Most people of the younger generation--except those involved--probably have never even heard of it. "That is not possible, where are they supposed to be living?" Why do we not know this, why is so much about this topic taboo?

Not even officials can tell how many there really are. The federal office in charge of statistics, which hardly fails to examine any aspect of our lives, has statistics about German, about foreigners, and about foreigners having more than one citizenship. But Germans having a second citizenship are not included. Some estimate that even as many as 300,000 could be living in the FRG as Soviet citizens as of 1982.

This lack of knowledge is also due to the fact that those involved (except for the very small number of Russian immigrants) do not want to be Soviet citizens, but exclusively Germans among Germans. Soviet Germans are not eager to inform those around them of their second citizenship.

Much to their travail, they often can do nothing to change this. For years, the Soviet Union has refused to release them from their Soviet citizenship. Theoretically this has been possible for a few years now, but it is such a cumbersome paperwar which involves the entire family including relatives within the country and abroad that most people do not even attempt it. As a rule it takes 1 year until the Soviet German who wants to rid himself of his Soviet citizenship even receives the application form from the Soviet embassy. An additional 1 and 1/2 years are needed for the completion of the process. Most of them do not attempt it because they want to protect their relatives living in the Soviet Union--the majority still has relatives there--from retaliation. They prefer to live with the burden of their second unpopular citizenship, although this can also be disadvantageous to them in the FRG.

This dilemma was referred to recently at a session held in Stuttgart, where the "Landsmannschaft" of Germans from Russia is based. It was said at the session that there had been cases in which Soviet authorities had made the attempt to blackmail Soviet Germans who had requested denationalization into cooperating with the Soviet secret service by referring to the fate of their relatives in the Soviet Union. No one can prohibit Soviet embassy staff from

visiting "its" citizens and, while doing so, from making those attempts. The "Landsmannschaft" which has approximately 7,000 members--60 percent of them are "recent evacuees"--has again requested the FRG Government during this session to regulate their nationality problem as it has done with the Germans from Romania. As long as the Soviet Germans are considered dual-citizens, they said, they would bear the stigma of the outsider. Declaring this topic taboo would not change anything.

Some disadvantages to the involuntary Soviet citizens could be avoided if the public were better informed about their fate. The more than 100,000 Soviet Germans who came to Germany before or during World War II and who now live in the FRG (here also referred to as "old evacuees"), have generally no difficulties with their Soviet citizenship in the West, even when travelling to neighboring countries. Only their Soviet place of birth gets some attention now and then from authorities or from employers. The entire East Block, however, is off limits to them, because they are afraid that their German passport could be taken from them there and they could be forced to turn in the Soviet Union. This is also true for their children born in the FRG, who are automatically Soviet citizens as long as their parents have that citizenship.

Young Soviet Germans who are especially vocal in favor of their relatives and fellow citizens in the Soviet Union even live in fear of possibly being kidnapped back to the Soviet Union. Many of the "early evacuees" feel especially insecure because often they escaped the allies at the end of the war only by accident. Of the 350,000 Soviet Germans who lived in Germany shortly before the end of the war, having just moved here shortly before, 250,000 were "repatriated" to the Soviet Union by force (also with the help of Western allies) based on the Jalta agreement. But they were not returned to their original homes at the Black Sea and the Volga River, as Stalin had promised, but were deported to Siberia.

There they shared the fate of approximately 1 million Soviet Germans who had been deported to Asia by Stalin as early as 1941. According to estimates by leading "Landsmannschaft" representatives, approximately 300,000 Germans met their death there. In the following year, tens of thousands died while doing forced labor in Siberia, where they were kept in camps until 1955. Since then their lot has improved but until today they have not been permitted to return to their former homes.

According to the 1979 census, approximately 2 million people living in the Soviet Union call themselves German. They are distributed over a huge area. There are hardly any German settlements left and, accordingly, no German schools and no other cultural institutions for them. For years the "Landsmannschaft" has been demanding free emigration rights for all Germans in the Soviet Union who wish it, as well as equal treatment with all nationalities which enjoy a certain degree of administrative and cultural autonomy. Soviet Germans are still deprived of this, although in terms of numbers they are far above 100 other nationalities in the Soviet Union.

According to the "Landsmannschaft" the 1972 Moscow treaty has failed to solve this problem of dual citizenship. The fact that Germans may only emigrate for the purpose of joining their family is also considered totally unsatisfactory. Anyone not having relatives in the FRG has no chance.

Soviet Germans requesting emigration are, as a rule, immediately considered to be "no longer reliable." For that reason they lose their jobs and must expect a lot of hassles from the authorities. If their request is rejected--which, based on recent figures, is becoming more frequent--the individual remains stigmatized. The Landsmannschaft knows of facts where individuals, immediately after having requested an emigration visa, were drafted into the military, although they were past the age where they could expect this. They were assigned to the Soviet occupational forces in Afghanistan, where some of them were killed in action. The Landsmannschaft estimates that several thousands of Germans would immediately request emigration, if there were some hope for success.

At any rate, since 1955, 90,000 Germans were able to leave the Soviet Union--65,000 of them since the conclusion of the Moscow Treaty 10 years ago. For the past 2 years, the number of the "recent evacuees" has been reduced drastically: from 1976 to 1980, more than 8,000 arrived annually, last year there were only about 3,800. This year only about 2,000 are expected, if the present trend continues. In the first 6 months of 1982, an average of 206 arrived in Friedland per month. Last August it was only 122. The Landsmannschaft fears that this number will approach zero in the future.

The causes for this great reduction are unknown. During a visit of the Soviet Red Cross with the German Red Cross in Bonn it became apparent that the Soviets are going to stifle emigration even further. The reunification of families has mostly been accomplished and is no longer a problem, according to the leader of the Soviet delegation. Also, the reunification of families in the FRG must not result in splitting up of a family in the Soviet Union, which would only bring additional requests for emigration with it. The German Red Cross countered by saying that it was aware of 100,000 others requesting emigration. The Soviet delegation did not respond to this.

The Landsmannschaft is of the opinion that the FRG Government has neglected the problem and--possibly because of economic contacts with the East--not fully explored its full potential.

On the other hand, one must admit that the integration of the Soviet Germans in the FRG has not become any easier in the past years. Already today many of them suffer a cultural shock when they enter the FRG consumer society. Whatever they bring with them from the Soviet Union in terms of their German cultural heritage becomes less and less all the time. The difference between their past life in the Soviet Union and the life in the FRG becomes ever greater, especially with the young ones. As long as the Germans in the Soviet Union remain discriminated against and scattered, the loss of their national [ethnic] identity can hardly be halted.

Since the emigration of their ancestors almost 200 years ago, they have been able to preserve their German identity as long as there were purely German settlements--in spite of many attempts since approximately 1870 to integrate them into Russian society and in spite of persecutions, starvations after World War I, and the collectivization of their lands in the 1930's under Stalin. In order to secure what was left of their cultural inheritance, the Landsmannschaft has recently bought a former villa of an entrepreneur in Goeppingen,

in which it wants to establish an international cultural center and a museum. The Landsmannschaft has collected more than half-million marks for this from its friends, and the Baden-Wuerttemberg government has approved a 200,000 mark contribution. In addition, in the beginning of September, the "International Association of Germans from Russia" was founded, with members from the United States, Canada, Brazil, Argentina and Paraguay. The association wants to strengthen the relations between Soviet Germans from all over the world, render social aid if needed, and write its own scholarly history.

Too many of the horrible events during the time of persecution and distress since the October revolution of 1917 have remained in the dark until now; we know too little of an ethnic group which, for more than 200 years, has preserved its national heritage, in which the FRG could also find a part of its own lost national identity.

9328

CSO: 3103/689

SAARINEN AGAINST ALLOWING CONSERVATIVES IN NEXT GOVERNMENT

Helsinki HELSINGIN SANOMAT in Finnish 10 Oct 82 p 9

[Article: "Conservative Party's Inclusion in Government Must Be Prevented"]

[Text] The former chairman of the Communist Party, MP Aarne Saarinen, rejected the Conservative Party's government aspirations in a speech delivered on Saturday in Valkeakoski. In Saarinen's opinion it is frivolous to justify the Conservative Party's entry into the government by the argument that government responsibility would halt the growth of the Conservative Party.

According to Saarinen the growth or decline of any given party by a few percentage points means nothing in the country's overall policy.

"And there is also a limit to Conservative Party growth. This argument must not be used to endanger that relatively positive development which has been achieved through center and leftwing cooperation," stated Saarinen.

Saarinen stated that the Conservative Party is entering the parliamentary elections with the intent of changing the government base. The inclusion of the Conservative Party in the government is not opposed in certain segments of the Center Party and the Social Democratic Party, rather it is even being promoted, continued Saarinen. Saarinen appealed to the voters to prevent the inclusion of the Conservative Party in the government.

Conservative Party MP's, who have been on a speaking tour in Lapland, made a different appeal. According Pertti Salolainen the Conservative Party must become the largest party in the elections, apparently this would be a sufficient justification for changing the composition of the government.

"No one else but the Conservative Party itself wants the Conservative Party to be in the government. The majority of the people would, indeed, like to replace the SKDL [Finnish People's Democratic League] with the Conservative Party in the government picture, but those who have the mandate of the people do not want this," stated Salolainen in Rovaniemi.

Salolainen lamented the fact that there is no longer any faith in the opposition role of the Conservative Party. People have begun to consider the party as a kind of silent government partner, he continued.

"Conciliation and Compatibility"

Matti Pelttari (Conservative Party), who referred to opinion polls, stated that the people want a change in the government base. In his opinion the Social Democratic Party and the Conservative Party have an astonishingly large number of viewpoints that are conciliatory and compatible.

Pelttari, who spoke in Muonio and Kolari, wanted to demonstrate to doubting Thomases that "in a Western European sense a closer cooperation between a moderate Social Democratic Party and a Conservative Party which has undergone a complete political change is not dangerous to the nation".

Tapio Holvitie (Conservative Party) answered Doctor Ahti Karjalainen (Center Party), who recently spoke about maintaining the SDP and Center Party government structure:

"Doctor Ahti Karjalainen forgets that the records intimidating the people with rightwing trends and foreign policy were already sold out in the bargain sale of the last elections."

Holvitie, who belongs to the rightwing of the Conservative Party, urged the people to prevent "attempts to bring back an atmosphere of intimidation by foreign policy" when he spoke in Tervola, Keminmaa, and Tornio.

SMP [Finnish Rural Party] Chairman Pekka Vennamo, for his part, surmised that the Center Party's chief goal in the forthcoming elections is to destroy the SMP. According to Vennamo the Christian League has also joined in this Center Party effort. Vennamo justifies this view on the basis of the election alliance formed by the Center Party and the Finnish Christian League.

At a meeting of a party delegation of the SMP in Helsinki Vennamo made the assurance that the SMP will not, however, be alone, but will enter the elections together with nonaligned factions.

The parliamentary elections will be held in March of next year.

10576

CSO: 3617/6

POLITICAL

FINLAND

SKDL SECRETARY HENTILA URGES BALANCE IN PEACE MOVEMENT

Helsinki UUSI SUOMI in Finnish 3 Oct 82 pp 16-17

[Interview with SKDL First Secretary Jorma Hentila by Timo Lipponen, date and place not specified]

[Text] A new peace movement is taking over Western Europe and has also extended its influence to the socialist countries. Communists in Eastern Europe are welcoming the movement, but at the same time they are pointing out that only the Communists will determine matters of peace.

In Finland the extreme leftwing considers the development to be anti-Soviet, but ideas independent of the SKP [Finnish Communist Party] are also being expressed:

"Even in the Soviet Union the peace movement can criticize the country's political leadership if it acts contrary to the goals of the peace movement," notes SKDL [Finnish People's Democratic League] First Secretary Jorma Hentila, who also belongs to the Central Committee of the SKP.

The Englishman E. P. Thompson has been mentioned as the leader and spiritual adviser of the new peace movement. With his END-movement, which has received broad support, he is striving to unite the peace aspirations of citizens of the the East and the West.

Thompson is attempting to break up the blocs. In an interview with the Finnish Broadcasting Corporation he estimated that a closer cooperation between the human rights and trade union movements of Eastern Europe and the peace movement in Western European countries would destroy the political blocs left as a remnant of the Cold War.

This issue is still partly an ideal for the time being. The Soviet Union and certain Eastern European socialist countries want to keep their own peace movement -- official peace committees -- which are under the direction of state leadership. The most visible peace movement in Finland, Rauhanpuolustajat [Peace Defenders], has not warmed up to the END-movement.

Priority for Peace

The Czech V. Bilak, who is quoted in the YDIN paper, represents a typical and traditional communist stand.

In his opinion only the communist parties know what the emphasis should be placed on at any given time in the struggle for peace and how the masses can be directed on the correct path.

When the peace movement must make compromises, ideological enemies will immediately use this situation to their advantage, he estimates.

Thus whatever other political views there may be in the peace movement, only the Communists have the priority for peace.

Signs of a new peace movement can be found even in Eastern Europe. Since the beginning of this year signatures have been collected for an appeal "The Creation of Peace Without Weapons" under the direction of Pastor Reiner Eppelman in East Germany. Ferenc Koszegi writes in YDIN that an independent peace movement in Hungary is appearing in the universities and colleges.

There has also been a movement on behalf of pacifism and a non-nuclear world in the Soviet Union.

Red Militarism

The question of militarism in the United States and the Soviet Union is difficult for the peace movement.

As Jorma Hentila states in an interview with UUSI SUOMI, U.S. militarism is easy to criticize because of its aggressiveness. However, he adds that actions in the socialist weapons industry influence the thinking of people.

According to Hentila a weapon is just as bad regardless of whether it is in the hands of a communist or a capitalist. However, the political leadership in the Soviet Union determines arms production while in the United States the weapons industry is determined by the individual as a producer of profit.

The question can be posed in a different way than Hentila poses the question. If, indeed, the political leadership in the Soviet Union determines weapons production (and not the weapons industry), how many members of the military are found in the Soviet leadership?

Rauhanpuolustajat [Peace Defenders] Divided by Communists

In Finland the internal struggle in the communist peace movement is severe. The extreme leftwing TIEDONANTAJA does not tolerate any criticism of Soviet militarism, but has accused the newspaper of the Sadankomitea [Committee of One Hundred], among others, with the headline "Peace Movement Directed Against Soviet Union".

The Taistoites have controlled the Rauhanpuolustajat organization, as First Secretary Jorma Hentila states in this interview, primarily with the cooperation of the Center Party.

But the groupings of Rauhanpuolustajat between the SKDL's Socialists and majority Communists are not quite clear.

In an interview given to HELSINGIN SANOMAT SKDL Chairman Kalevi Kivisto stated that the SKP's minority sees the SKDL as the same type of organization as the Rauhanpuolustajat, which is a kind of remote controlled terminal of the SKP.

For some reason Hentila states that Kivisto did not mean what he said. Perhaps for the reason that Hentila sees the Rauhanpuolustajat organization as a remote controlled terminal of the SKP's minority, especially in the 1970's.

Shaposhnikov Against TIEDONANTAJA

[Question] How has the European peace movement changed in recent years, SKDL First Secretary Jorma Hentila?

[Answer] At least in the sense that it is no longer as subject to partisan politics as before.

Since new population groups are involved in the peace movement, it is even politically more diversified. This also influences the movement's goals, but there is no great difference of opinion with respect to the fundamental goal.

I have just read the article by Shaposhnikov (Deputy Chief of the CPSU's International Department), in which this development is considered to be positive. The article does not in any way support TIEDONANTAJA's writings in which a negative attitude has been adopted toward the Western European peace movement.

"No Room for Criticism in Rauhanpuolustajat"

[Question] Is the Rauhanpuolustajat organization a remote controlled terminal of the SKP?

[Answer] Such ideas exist in minority circles. The problem of the Rauhanpuolustajat organization has been that its organization has been involved in the internal conflicts of the SKP.

In the 1970's the majority Communists and the SKDL's Socialists did not have any opportunity to express opinions or criticism in the Rauhanpuolustajat. There the minority together with the Center Party practiced cooperation with the blessing of the Center Party's central office, and the Rauhanpuolustajat organization still suffers from this problem.

Even some prominent Social Democrats and, above all, members of the Center Party allowed this to happen for completely opportunistic reasons. Fortunately, the situation is already changing.

[Question] What is your opinion of Kalevi Kivisto's definition of the Rauhanpuolustajat?

[Answer] He meant that there are Communists in whose opinion Rauhanpuolustajat should become a remote controlled terminal of the SKP. The SKP's majority leadership is not of this opinion.

Mass Action in The Soviet Union

[Question] Is mass action on behalf of peace possible in the Soviet Union?

[Answer] Even there, there is mass action, but by its nature it supports official state policy.

In order for a peace movement to retain its fundamental nature, it must have room to criticize the political leadership of its own country also; thus if the leadership acts in a manner that is not acceptable from the point of view of the goals of the peace movement. This must apply to all countries.

[Question] Has this occurred in practice in the Soviet Union?

[Answer] I do not know about their internal situation, what the attitude of the peace movement is toward the state leadership.

"Superpowers Should Not Be Compared"

[Question] Is the Soviet Union a more peace loving superpower than the United States?

[Answer] Countries cannot be equated with each other. There are great differences in the policies of these two countries. The United States has acted as the world's gendarme. More aggressive traits can be found from its actions than those of the Soviet Union.

On the other hand, both states are superpowers and, naturally, there are issues in which both have the point of view of a superpower.

However, if a country's political leadership can determine its economic power resources, then it can determine how much money to spend on weapons on a different basis than in the West.

[Question] Is it better that weapons are developed without the profit motive?

[Answer] No, it is just as bad regardless of whose hands the weapons are in.

Socialist Armaments

[Question] There has been talk about a military-industrial complex even with respect to the Soviet Union?

[Answer] The Marxist premise is that man's social existence affects his consciousness, the environment affects one's thinking.

Also under socialism those who work as professional soldiers or in the weapons industry, in general, are along with their thinking influenced by their profession. They readily depend on modern weapons to guarantee their security.

The minority in the SKP sees the situation excessively black and white. The Soviet Union is a superpower which is compelled to take care of its security and this is reflected in the country's policies.

[Question] When you talk about international questions, TIEDONANTAJA becomes immediately offended. Why?

[Answer] I have touched upon issues which they do not understand nor want to understand.

Peaceful Withdrawal

[Question] You have proposed that Finland's foreign policy can be made independent of relations and the balance of power between the superpowers. How is this possible?

[Answer] Presently, Finland is carrying out a peaceful withdrawal policy. I support an active peace policy.

Finland is too passive, especially with respect to nuclear weapons. In the UN Finland has declared that it supports a complete ban on nuclear weapons, but therein lies its total activism.

The reason, of course, is that the superpowers look at this question in a different way. The Soviet Union has a greater readiness than the United States to ban nuclear weapons.

However, it is officially believed that activism in this question would not be impartial when one considers the attitudes of the superpowers and Finland's policy of neutrality. However, rational arguments speak on behalf of activism.

Karelian Pine and Neutrality

[Question] Would this no longer be a neutral policy?

[Answer] In what respect would Finland then be neutral? If it is a question of a threat of nuclear war, Finland must not remain neutral. A neutral policy should not be carried to that extent.

[Question] You have criticized as a large Finnish intellectual ego the fact that Finland should remain on everyone's lips as during the meeting of the CSCE. Is not the elimination of nuclear weapons in the world a kind of large Finnish ego trip?

[Answer] There is no need to wave the flag at an international forum or become involved in every minor event.

[Question] But is not the promotion of complete nuclear disarmament a waving of the flag and a large Finnish ego trip?

[Answer] But at least one is not beating one's head against a Karelian pine.

If one acts on behalf of eliminating nuclear weapons, one should believe that the goal is possible.

The Country's Fate and The Superpowers

[Question] Must we necessarily adhere to that point in the YYA [Friendship, Cooperation, and Mutual Aid] Agreement in which we have the right to remain outside of conflicts between the superpowers?

[Answer] Who can say where the line is between the conflicts of the superpowers and the fate of humanity.

[Question] Could it then be possible to support the United States in certain questions even though the Soviet Union would be opposed?

[Answer] Of course, this is possible if it is a question of an issue which relates to the basis on which Finland's foreign policy is built. And if it is also a question of the fate of humanity.

[Question] Has Finland's stand ever been closer to that of the United States than the Soviet Union in any issue?

[Answer] I do not recall any single such major issue in which this has happened. There have been smaller issues, but one must be more precise in their respect.

Vayrynen A Weak Foreign Minister

[Question] What would have happened in the 1970's if activism had been forgotten in our foreign policy?

[Answer] For reasons of health President Kekkonen was no longer a key force in our foreign policy in recent years, but the point of view of the administration of foreign affairs was given emphasis.

In addition to all this, at the same time we had a regrettably weak foreign minister (Paavo Vayrynen), who did not contribute much to his own administrative area.

"SKDL's Relations With The East in Good Order"

[Question] Did the flap about the trip made by Communist MP's have any effect on the SKDL's relations with the East? The CPSU's invitation concerned only members of the SKP?

[Answer] It had no effect. It was a question of an internal matter, not a question exceeding national borders.

The fact that the invitation was only extended to Communists reflects problems whose causes can be found in the SKP's internal situation.

As Aarne Saarinen pointed out in the spring, within the CPSU, especially within that segment which most directly concerns itself with relations with Finland at the party level, there appear stands which correspond with the views of the SKP's minority.

This cannot help but have an effect on our relations with the East, which, however, the SKDL now considers to be in good order. The mills of the gods are clearing the air. In this respect the SKP's extraordinary congress acted as a catalyst.

10576

CSO: 3617/6

BRIEFS

VENNAMO LEADING SMP IN PARLIAMENT--The parliamentary faction of the Finnish Rural Party has a new chairman. MP Veikko Vennamo was elected the new leader of the faction. Until now the faction has been led by MP J. Juhani Korttesalmi. Korttesalmi made the proposal that a new chairman be elected. Thus the SMP [Finnish Rural Party] parliamentary faction is attempting to provide more time for representatives other than Vennamo to participate in the election campaign. Veikko Vennamo will not be a candidate in the forthcoming parliamentary elections. According to the SMP's own communique the reason for this decision is also the fact that the inner circle of the large parties has decided to destroy the SMP in the next parliamentary elections. According to the communique the SMP has accepted the challenge and has begun the struggle for the Finnish people. Korttesalmi led the SMP faction for approximately 3 years. Vennamo was the leader of the faction in the years 1970--79. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 13 Oct 82 p 3] 10576

CSO: 3617/6

MAUROY ON TERRORISM; ECONOMIC POLICIES, PROBLEMS; PCF

Hamburg DER SPIEGEL in German 4 Oct 82 pp 158-160, 162-165

[Interview with French Prime Minister Pierre Mauroy by SPIEGEL editors Klaus-Peter Schmid, Dieter Wild and Gustave Stern at Hotel Matignon, date unknown: "We Are Staying the Course"]

[Text] [Question] Mr Prime Minister, all the public opinion polls of the past several weeks clearly indicate that the number of those who are satisfied is exceeded by those who are not for the first time since the Left took over in the summer of 1981. How do you explain this turnaround ?

[Answer] I, too, read the opinion polls. The wage and price freeze we instituted in June is a step no other head of government dared take. That something like this does not make people jump for joy is not surprising. But over the last 3 weeks, since the end of the vacation season, there is a feeling of communal responsibility taking hold which expresses itself in a renewed rise in popularity.

[Question] But until now you were more pessimistic.

[Answer] I have heard a great many opinions expressed about people getting back to work after the vacations. This startup is working out better than had been predicted. We have price increases under control. Everyone can see how much restraint the labor unions are showing and how resolutely the government is working toward a maintenance of economic balance. In the end, all this, I think, has an impact on public opinion, too.

[Question] Still, one encounters some deep-seated pessimism, too.

[Answer] This pessimism exists not only in France, but equally in Germany, in Great Britain, in the United States. Besides, the opposition—which is to say the Right—is constantly telling the French people that the country is about to collapse. All these prophecies are wrong, of course, but they do worry some of the people and make them insecure. They foster pessimism among certain business circles and thereby create a favorable climate for speculative maneuvers directed against our currency. Furthermore, your assessment was probably more of a reflection on the situation that existed before the French people went on their vacations. Now they are back home again...

[Question] More satisfied than they were ?

[Answer] The situation is improving. The rise in unemployment has been halted; inflation is going down almost spectacularly.

[Question] Your analysis regarding the turnaround in public opinion may be a bit premature. Do you really believe that the improvement was caused by individuals—like the president or the prime minister—or by your policy ?

[Answer] I really don't think you can possibly differentiate between the two. The goals we aim for are the result of a policy outlined by the president and implemented by the prime minister.

[Question] In former times, the Left was always criticizing the extraordinary powers of the head of state as well as his authoritarian conduct of the office. These days, one has the impression that things have not changed much. The Socialist head of state runs the country in the same authoritarian style as his predecessors. Does that make you happy ?

[Answer] We are adhering fully to the constitution of the 5th Republic. The president is elected by the people; he safeguards the constitution and occupies a key role in it. The prime minister's job is to conduct government policy within the framework of the balance of powers as provided for by the constitution.

[Question] Where do you see such a balance in this constitution of de Gaulle's ? The predominant role the president plays vis-a-vis the prime minister is too obvious for words.

[Answer] You should not be looking for a balance as between the president and the prime minister. The president is elected on the basis of the program he has put before the country. The prime minister has the job of conducting government policy based on the guidelines he is given by the president. That is perfectly clear.

[Question] The constitution merely provides a framework. The question is how far the president stretches it. Do you feel that anything has changed in this regard since the Left came to power ?

[Answer] You are posing a quasi-problem—which is why I cannot comment on it. The Left came to power on the basis of a constitution which stipulates how long it is to remain in office and which emphasizes the dominant position of the president.

[Question] Well, does the Socialist prime minister have more freedom of action vis-a-vis the president than his predecessors or does he not ?

[Answer] If I could, I would be happy to answer this question. But I simply do not know what the relationship of any of my predecessors was to their particular president. I only know one thing: I have been working closely together with the present president for over 10 years.

[Question] In June 1981, you stated in a SPIEGEL interview that your government has three goals: to expand political liberties; to revive the economy and to improve social justice. Let us turn to political liberties first. In view of the many terrorist attacks in France, are you thinking of curtailing basic rights—particularly the right to asylum—which is what your interior minister seems to want ?

[Answer] Let me state quite clearly: France is an open country; a country that offers asylum. It accepts any person who is persecuted for political reasons in any other country. That is a sacred principle for us.

[Question] No restrictions then ?

[Answer] Of course, in the case of extradition proceedings for instance we will be looking at the specific aspects every time. There can be no doubt that a simple political motive will not suffice to protect persons whose actions cannot be justified under a democratic form of government. But the terrorism that we know is of a different kind from the one in Italy or Germany. It is not home-grown but has its origin in international conflicts. In a certain sense, it is terrorism of the imported variety. Under the circumstances, the relentless battle we are waging against this type of terrorism calls for a special strategy. We are on the verge of implementing it.

[Question] But your cabinet ministers do not agree on the measures that need to be taken.

[Answer] If there is a discussion between the interior minister representing the principle of efficiency and the justice minister representing the law, then I think that is a worthwhile discussion. As a matter of fact, I think the French people even look upon this as an encouraging sign.

[Question] And what about you ? Are you on the interior minister's side ?

[Answer] I am the prime minister. I am responsible for the policy of a government that seeks to fight terrorism effectively and at the same time to protect the basic rights of its citizens.

[Question] You are talking about "imported" terrorism. If that were true, all you would have to do is to seal off your borders.

[Answer] It is a bit simplistic to think that that would do the trick. One has to penetrate the terrorist scene and break it up from the inside.

[Question] But there is also a purely French brand of terrorism. At the beginning of your term in office, the Right claims, you went too easy on some of the extremist groups, like the Bretons and the Corsicans. Do you think that these extremists interpreted your policy as weakness ?

[Answer] I do not agree with the way you put it, nor do I share your evaluation of the matter. If one thinks of what goes on in other countries, the terrorism which originated in our own country never was terribly significant.

[Question] Not even on Corsica ?

[Answer] It applies to the situation in Corsica in years past; but now things are much quieter. The way the Corsicans participated in the establishment of the new regional bodies in August is evidence of that fact. For that matter, France has always made a response to movements directed against her unity—that goes back to the days of the monarchy. That response always was as hard as can be. France is a traditionally centralistic nation and the Republic has preserved that tradition.

[Question] But the Left does have plans for decentralization now ?

[Answer] Yes, that is a major reform; even the most important one. Decentralization means that responsibilities at the communal, the department and regional level will be transferred to the people. As a result of this, the situation in Corsica and in Brittany has improved. Even those who had made themselves heard with inadmissible violence have grown quieter. I believe we have struck upon a new balance and found a way of handling this type of terrorism.

[Question] Why did you outlaw the leftwing extremist group "Action directe"? Was it taking advantage of your liberal policies ?

[Answer] We never did handle this group with kid gloves, really. Some of their members were taken into custody. The police tried to prove they had committed criminal acts. They were arraigned before a judge, according to the law. But if there was no incriminating evidence against them, they were set free. Some people may have deplored that—but that is the law. Please don't think we were too lenient with them. We did not treat them nicely, nor were we weak. We respect the laws of the French Republic. For that matter, we have improved them to afford our citizens better protection and we are applying them.

[Question] In former times, you always criticized the government for taking over radio and television. Now, one takes note that the new radio and television control body, the "Haute Autorité," created by the Left has a two-thirds membership appointed by the president and the president of the national assembly. Both of these are Socialists. Aren't these media still following government orders now ?

[Answer] If you watch the radio and television programs carefully, you will certainly find that things have changed.

[Question] Do you mean to say that there are no orders going out to radio and television from the Elysée Palace or the prime minister's office any more ?

[Answer] None whatever. Let me stress that. I have faith in the Haute Autorité. It is a new body designed to prevent the very mistakes made by radio and television in the past. Under no circumstances can one say that radio and television take orders from the government. They do no such thing.

[Question] Are there no government sympathizers in charge of these media today then ?

[Answer] No. No one can say that radio and television are full of sympathizers.

[Question] Do you personally have the impression that radio and television criticizes you more sharply than they criticized former governments ?

[Answer] No, I would not say more sharply or even more openly. I would say: less consciously. What I mean is that most journalists—because of their background and their liberal training—feel closer to the ideology of liberal society. They may pay all the attention to detail to their work but deep down they will remain true to their personal views. And naturally, some of our decisions are not understood or interpreted correctly.

[Question] Mr Prime Minister, the economic policies of the Left are now 15 months old and the results are disquieting. The Franc has been devalued twice and is still weak; economic growth is substantially lower than foreseen; the number of unemployed has gone over two million; your foreign trade deficit is bigger than ever. In what regard have you gotten any closer to your goal of putting the French economy back on its feet ?

[Answer] Since the election of Francois Mitterand we have been pursuing a new economic policy but are still looking for legislation in many spheres. It will take us several years to put industrial renewal into effect, which is the cornerstone of our entire policy. In the area of investments, we have already taken all necessary steps. In the public sector, these investments are far above those made by private investors over the past several years.

[Question] But it looks as though there is not much left to spend and to distribute.

[Answer] We do not wish to distribute deficiency. We are of the Left. We first wish to make our country richer. In order to do that, we must have industrial renewal.

[Question] The growth rate in your country is still higher than it is in Germany for example. But the trend is downward.

[Answer] Some of the experts—not the least among them—were giving a lot of thought to the supposed need for zero growth a few years ago. Today, everyone can feel the dramatic consequences of just such a situation. That is why we wish to attain the maximum growth rate possible at present. With

this in mind, we stepped up demand—within reason, to be sure. The experts predicted an international economic recovery by spring or summer of 1982, which would have complemented our own efforts. But it did not happen.

[Question] What will happen now ?

[Answer] The crisis has worsened all over the world; disorder has increased as a result of the steep rise of the dollar exchange rate and the interest rates. In addition to that, some of the industrial countries have gone in for stepped-up deflationary policies. That is the situation in which we now find ourselves.

[Question] Are you saying that the others are to blame ?

[Answer] If the crisis worsens; if Germany which is our privileged partner in every respect—as supplier and as our customer—turns to deflation, then that cannot be without consequences for France. We could no longer afford a 14 percent rate of inflation. For that reason, the government decided on freezing prices and wages for 4 weeks—so as to break the inflation mentality and effect a thoroughgoing stabilization of prices.

[Question] Can a Socialist justify such measures ?

[Answer] We do not have big smiles on our faces. Nobody is delighted, if a prime minister proposes a wage and price freeze.

[Question] Just suppose your predecessor Raymond Barre had contemplated such a total wage and price freeze...

[Answer] He dreamt about it without a doubt but he could not go through with it in earnest. Today, the workers accept it—they are not enthusiastic about it but their sense of responsibility tells them they have to—because they have been able to assess our entire program for over a year. You also know that we have Barre to thank for the 14 percent inflation rate.

[Question] Among Socialists, there is now talk of "Barrism without Barre" or of "Barrism of the Left".

[Answer] No, no, a thousand times no. The label "Barrism of the Left" I cannot grasp at all. On this point, I fully agree with Barre himself who said that "Barrism of the Left" does not even make sense linguistically. Furthermore, we have not altered our policy but have merely adjusted our way of handling things to economic conditions.

[Question] It is quite a shock to hear you say that you have not changed the course of your economic policy. The entire domestic and foreign press, at any rate, interpreted your actions in that way.

[Answer] I am surprised every day to see journalists wanting me to tell them that we are pursuing I do not know what "new policy."

[Question] Would you agree, if we said you are pursuing an austerity policy ?

[Answer] I would not say that. It seems to me that your questions indicate that our efforts to achieve a resolute policy of strength and renewal of the French economy is still not clearly understood. Measured in percent of GNP, our budget deficit is the smallest of all large industrial nations with the exception of Great Britain. We will be able to pay out our social benefits in 1982 as well as in 1983. The increase in the money supply will stay below the increase in nominal GNP. We have taken steps to lower our balance of payments deficit next year by 30 to 40 billion Francs. Do not confuse rigor with austerity! We are convinced as we always have been that we can overcome the present difficulties by making for greater social justice because in our time social progress is a prerequisite for economic progress.

[Question] That sounds very beautiful. In reality, you set out to increase purchasing power and now you are lowering it with your tough wage freeze.

[Answer] The wage and price freeze is not our policy but a means in the service of a policy because we want to get inflation down from 14 to 8 percent. Let me add that we never at any stage planned for a reduction of purchasing power. On the contrary! We improved the living conditions of the lowest earners—families with many children, retirees, minimum wage earners—and in this way increased available income all around. In the future, we want to maintain average purchasing power and simultaneously raise the lowest income brackets. And finally, the price and wage freeze does not put into question any of our great reforms like decentralization or the expansion of the public sector.

[Question] But perhaps priming the economic pump...

[Answer] Of course one cannot expect the same purchasing power with a 1.7 percent growth rate as with one of 3 percent. But we are not giving up on our goal.

[Question] But until you can reach that goal, will you not have to revise your own policy calling for shorter working hours ?

[Answer] No, not at all. To be sure, our goal is to achieve the 35-hour week by 1985. But we are aware of the realities and nobody can blame the government for that. We shall put the problem of shorter working hours to the nation. I am still convinced that such a program is crucial for creating jobs.

[Question] So you are saying that you will have to adjust the programs to constraints, to reality ?

[Answer] We are on a schedule. But if a storm bears down on us, we adjust and continue on our way when it blows over. The main thing for us is not to go back to the starting point.

[Question] What impact is this going to have in concrete terms on shorter working hours ?

[Answer] In 1983, we will not propose any legislation but we will encourage business and industry to conclude "solidarity agreements" which call for reducing working hours beyond the limit prescribed by law.

[Question] And after 1984 ?

[Answer] If the crisis continues unabated, it will be difficult to reduce unemployment. We are working with several options: solidarity agreements that permit workers to retire as early as 55, part-time work and occupational training for young people between 16 and 18.

[Question] But that runs into money.

[Answer] The new element in democratic debate will be the increasing realization on the part of the workers that working hours must be reduced to fight unemployment. But of course the costs arising in this connection must be compared with what unemployment itself costs. An evaluation will have to be made on what can be distributed in terms of purchasing power and, on the other hand, in terms of shorter working hours.

[Question] Do you mean to say you are proposing a reduction of working hours without wage compensation ?

[Answer] That is not what I am proposing. The debate needs to be broadened further. Let me put it this way: A transition to a 38-hour week with wage compensation would place a burden on business. Under present conditions, I think it is not possible to reduce working hours as we did last year from 40 hours to 39.

[Question] The government has had to take new measures to protect the franc, particularly by opening a \$ 4 billion credit line with international banking institutions. For a start, these measures might have a positive effect. But they will hardly succeed over the long term because you are running foreign debts and will one day have to repay them. France's burden of debt is big enough as it is. This way it grows even further.

[Answer] Our position is clear: we will under no circumstances devalue and will under no circumstances quit the European currency system. All those who are speculating against the franc should take note of this. They are going to lose out. France, which has very substantial gold reserves, is running an absolutely reasonable debt.

[Question] But what if the franc exchange rate drops even further ?

[Answer] There is no reason for it. Our policy is solid.

[Question] Don't you feel that the franc is still overvalued ?

[Answer] No—and let me add that we began to feel the unfavorable effects of the devaluation in September particularly because raw materials and energy imports became more expensive. The positive effects, on the other hand, will not become noticeable for a few more months yet.

[Question] One also has the impression that the effects you hoped for in the nationalizations you undertook are slow in coming. They were supposed to be one of the ways to fight unemployment but as a practical matter they turned out to be very expensive and basically ideological undertakings. On balance, what economic gains do you still hope to achieve from them ?

[Answer] I cannot accept your line of thinking. The nationalizations always were part and parcel of the Socialist programs. Compensation for all shareholders was just and proper just as we had promised. The nationalizations will not cost the French economy any more than the unfortunate issue of government bonds by Giscard d'Estaing in 1973 which was tied to the gold price.

[Question] What then was the reason for the nationalizations which amounted to something of a surgical procedure ?

[Answer] The reason was to provide the nation with an opportunity to conduct an independent industrial policy by taking control of those sectors of the economy which were in the hands of monopolies to all intents and purposes. The nationalizations are a crucial weapon in the fight for the renewal of French industry and for jobs.

[Question] Then they have nothing to do with ideology ?

[Answer] I can only say that all governments—whatever their ideological antecedents may be—are forced in one way or another to take steps to protect their industrial base. In the United States, that was the case with Chrysler and in your country, with AEG.

[Question] What will you do when the wage and price freeze runs out ? Are you not afraid that there will be a whole wave of demands once that happens ?

[Answer] That is very simple. We do not wish to put collective bargaining autonomy in question. For 1983, we have set a goal of 8 percent inflation. For this reason, incomes cannot be permitted to rise any more than that on the average. We wish to guarantee average purchasing power and stabilize it. If necessary, we can make adjustments by the end of 1983.

[Question] Until now, the French labor unions have shown a certain amount of understanding for your austerity policy. Since no one expects economic conditions to improve, don't you think there will soon be a parting of the ways between the unions and your government ?

[Answer] Along with the majority of the French people, those union leaders whom I have been meeting with have understood very well that one cannot win the fight against unemployment, sustain monetary value and guarantee economic growth in the face of 14 percent annual inflation. For this reason, our economy had to undergo a health cure. Our partners in the labor unions have accepted this decision even if the steps we took seemed somewhat tough to some of them. Today, there is agreement on the fact that we must go slow in terminating the wage and price freeze, if the success of the cure is not to be dissipated.

[Question] PCF chief Georges Marchais has called the wage freeze "unjustified and absolutely superfluous;" but the other Communist members of your cabinet have gone along with your policy. How much longer can you accept this double standard your Communist partners are applying ?

[Answer] The PCF plays its perfectly normal role as a political party defending its positions. Since June 1981, there are four Communist ministers in the cabinet who occupy important posts. I have never noted even the slightest infraction against the solidarity of the government on their part. It makes no sense to speak of a "double standard."

[Question] Some of your Socialist friends say that economic successes have not taken place because of the obstructionist attitude of the entrepreneurs and their refusal to invest. Do you think it will be possible to reach some sort of accommodation with business after all ?

[Answer] The government of the Left is constantly trying to enlist the participation of all segments of our national community in the efforts to get the economy moving and to rebuild the industrial base of our nation. Business and industry are of course called upon to play a part in this great national undertaking. For 15 months now, the government has taken steps again and again to make it possible for them to invest and to create new jobs.

[Question] But they have not accepted the government's invitation.

[Answer] Apparently, it is difficult for some French businessmen to give up their wait-and-see attitude. But I do not believe this to be a specifically French phenomenon. Everywhere in Europe, people are looking for ways to achieve balanced growth so that those responsible for the affairs of industry will be tempted to make investments once again. Our policy of rigor and industrial renewal is of course aimed in this direction.

[Question] To halt capital flight, you have instituted strict—so as not to say humiliating—controls. These measures are in addition to the controls which apply to prices, wages and the transfer of funds for imports and foreign investments. That gives many people the impression that life in France under the government of the Left has not become freer but more regimented.

[Answer] For 15 months now, we have not increased constraints. On the contrary: we reinstituted collective bargaining. And the regulations governing financial transactions with foreign countries have not been changed in any appreciable way since May 1981. They neither limit the freedom of trade with foreign countries nor the activities of foreign investors in ours.

[Question] But they do make life difficult for people wanting to cross the border.

[Answer] As soon as conditions permit—above all as soon as the currency markets have calmed down again, the government, which has no special weakness for bureaucratic controls, will be ready to relax the current regulations.

[Question] Many French people placed great confidence in you because they were really longing for a change. Do you realize that many of these disappointed people have since turned their back on you ?

[Answer] The nationalizations; decentralization; a fifth week of leave with pay; workweeks reduced from 40 hours to 39; abolition of the death penalty; retirement at age 60; soon to be introduced new privileges for workers at the workplace...Would you like me to cite some more examples for the changes which affect French people in their everyday life, at work and as to their legal status—all of which have taken place since May 1981 ? And our government program is not yet completed. One cannot do it all in one day or even in 15 months. I know perfectly well that the French people are looking for changes in other respects. They will come.

[Question] Your friend Pierre Joxe, the chairman of the Socialist fraction in the National Assembly, recently said there is no sense "expecting socialism to break out by tomorrow morning." Well then—when will it ?

[Answer] We have never said that France is socialist. It isn't yet! Socialism is the result of a revolt, a revolt of the first martyred proletarians. The main thing is to get on with the job and to move our society in the direction of more justice, more solidarity and more responsibility.

[Question] Has it made any progress in that direction yet ?

[Answer] For 15 months now, we have been working hard day after day to achieve it.

[Question] Mr Prime Minister, we thank you for this interview.

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CSO: 3620/44

GOVERNMENT'S CHINA POLICIES REVIEWED: MARCHAIS TRIP

Paris LE MATIN in French 10 Sep 82 p 2

[Article by Dominique Burg: "French Ambitions in Asia"]

[Text] Assembly President Louis Mermaz' visit to China wasn't only a matter of protocol. It forms part of the policy of "global politics" sought by Francois Mitterrand.

The National Assembly delegation, led by Assembly President Louis Mermaz, returned yesterday morning from a 12 day stay in China. Accompanied by two vice presidents, Guy Ducloux (PC) and Bernard Stasi (UDF) and eight other deputies, Louis Mermaz confirmed France's desire to form solid ties with China. Before Francois Mitterrand's visit to China next May, Sino-French relations seem to be optimal.

Louis Mermaz is satisfied: His recently completed visit to China augurs well for good relations with that country. It was believed that the trip would be above all a matter of protocol, but it was eminently political.

The Chinese weren't merely hosting a President of the National Assembly for the first time since 1949, but the country's third ranking figure and a loyal supporter of Mitterrand. Mermaz was able to have talks with the key men of the regime: Deng Xiaoping, who as a "second line" figure represents the transition, Hu Yaobang, future secretary general of the PC, and his governmental alter ego, premier Zhao Ziyang. Not to be forgotten, there was a meeting with a delightful dowager, Deng Yingchao, widow of Chou Enlai and vice chairman of the National People's Congress. In addition, there was a strange, almost uncomfortable meeting with 84-year-old marshal Ye Jianying, chairman of the National People's Congress, who can barely stand erect.

But in China where every gesture counts as much as words, these are unequivocal signs: Louis Mermaz's reception was judged "exceptional" by all observers. Relations between France and China were considerably improved with the visit of Claude Cheysson, minister of foreign affairs, in July.

Louis Mermaz' visit confirmed this tendency. This is not mere chance. The Chinese, who seem to want to opt for an open political policy, see France as an interlocutor capable of diversifying their international relations. The Chinese also have demands on the economic plane: They want high technology and nuclear equipment, helicopters and, above all, even if it wasn't officially discussed, to buy Mirage 2000's. These are desires that France will not be able to satisfy easily. Providing arms to China, particularly, poses a question of international magnitude, and the repayment arrangements sought by China constitute an obstacle.

But for the moment, the choice is political. Louis Mermaz was the messenger of this fact. The French Government has the somewhat headstrong ambition of repeating, on a relative scale, the step taken by General de Gaulle when he recognized the People's Republic of China: to form ties with a potential non-aligned power and to intervene in the midst of relations between Beijing, Washington and Tokyo, which France does not want to be exclusive. For France, this is a way of participating in what Louis Mermaz has called "global politics," in favor of peace, of independence, of the balance of power and the North-South dialogue. The Chinese, who support the coalition presided by Norodom Sihanouk, in which the Khmer Rouge participate, even accepted the French position without a fuss with regard to the Cambodian problem: denunciation of the Khmer Rouge demands but non-recognition of the Vietnamese regime installed in Phnom Penh. It is significant that it was in an interview with the New China news agency that Louis Mermaz declared: "France has no aims in this part of the world, but if we are needed, we will not stand back." This is one more sign that France entertains the idea of playing an active role, as in Lebanon, in difficult diplomatic situations.

The deputies of the opposition who accompanied the president of the national assembly, while aware of this statement, did not protest against the increasingly political nature of their mission. As for the communists, while in disagreement, they listened silently as the Chinese denounced the two hegemonies, the American and the Soviet. It should be stated, as Hu Yaobang publicly confirmed, that George Marchais, secretary general of the PCF, is expected in Peking in October.

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SOCIALIST-LEFT PARTY INFIGHTING TRACED TO LOST INFLUENCE

Furre Defends Labor Party Tie

Oslo NY TID in Norwegian 22 Sep 82 p 2

[Article by Finn Gustavsen]

[Text] After an extensive introductory speech by Berge Furre, the SV [Socialist-Left] national committee voted in June to set up a debate on the party's relations with Social Democracy. The idea was to gather different views on the matter from various groups in the party and then allot plenty of time so that everyone could speak out at all levels. The national committee placed no time limit on the debate, but it will decide in December whether to give the debate any room at the national congress.

NY TID reproduces below short excerpts from the material collected by the committee without further comment, except to note that the debate plan seems to be less controversial than one might have expected.

Berge Furre: Idealism Not Enough

Berge Furre wrote, among other things: "In a time of crisis, people will always asks for different things than they do in a period of security and economic progress. In times of crisis, a 'long-range' policy is regarded as less important than a policy that provides more secure conditions right now, since in the long run we might all be dead. In times of crisis, people are more likely to ask: 'What can this party do today to secure me and my family against a dangerous future?' We cannot expect people to say: 'The SV visions are excellent and correct. But I have to think about my job and the family and our everyday life and our security--and support a policy that is the best right now. Does SV policy meet that test?'

"I think many people regard us as a very idealistic party without much of a realistic policy for everyday life. They may have the impression that we feel we are much better than other people--so much better that we have no reason to carry out some of our policies in conjunction with others on the basis of negotiations and reasonable compromises.

"We must convince people that a vote for SV does not constitute demonstrative support of an ideal, a bet cast in a lottery concerning a dream for the future, but a handclasp to a party that is ready here and now to try and implement as much of this policy as it can. If people are to believe that they can get something out of voting for SV today, they must realize that we are willing to enter into alliances, fight for favorable compromises, meet others halfway and use every means possible to implement part of what we want to accomplish.

"We know that the Labor Party does not have socialism as its goal and that it often stands alongside the Conservatives. But it cannot be denied that the majority held by SV and DNA [Norwegian Labor Party] from 1973 to 1981 could be used to safeguard or carry out some things that were important to most people in this country--in the struggle against nonsocialist elements on such matters as the abortion law, the workers' protection law, the concession law, safeguarding the cooperative housing law and regulations against speculation on building lots and houses. We should not have any illusions that DNA will adopt a socialist course. But it is easier for us to find allies in DNA when we want to safeguard the welfare state and employment against the Conservative policies.

"We could say in good time before the election that if SV and DNA win a collective majority, we will call for talks with DNA on the policy to be pursued by the government. There are certain things that are very important for us to have implemented. Before we can pledge our solid support for a DNA government, we would like to discuss what can be done about implementing those issues. The result could be agreements on some things on which SV would guarantee a majority for a policy acceptable to both parties. In that way we might be able to achieve concrete results on such things as a Nordic nuclear-free zone, a shorter work day, the implementation of interest ceilings, nationalization of the wood processing industry, mandatory development of childcare facilities, the restoration of social housing construction, a true bank reform with capital control, and so forth."

Arent Henriksen: Get Back to Reality

Labor voters want a majority behind an alternative policy to the Conservative belt-tightening and redistribution, according to Arent Henriksen: "It would increase support for SV if we show a desire to cooperate with the Conservatives and that would deflect the Labor Party from the policy it has pursued. But most important is that we would then be engaged in practical politics in the form familiar to most people instead of just presenting 'excellent' but impossible viewpoints.

"Unless SV enters into this 'counterpolicy' the 1985 election will stand between the Conservatives and Labor, while we 'drown.' Can we, along with the labor movement, the peace movement and the women's movement, make demands DNA will have to take a stand on? Measures against the crisis policy and the arms race, steering capital forces, tax policy, housing policy, a shorter work week, the expansion of childcare centers and after-school

facilities, some personal liability in the health sector, a Nordic nuclear-free zone. If we show a desire to pursue practical politics along these lines the voters will have a greater opportunity to see that we are a real alternative. A stronger SV will guarantee a radical policy in the borderland between SV and DNA."

Dissident SV Storting Members Explain Stand

Oslo NY TID in Norwegian 22 Sep 82 p 3

[Interview with Socialist-Left Storting representatives Kjellbjorg Lunde and Stein Ornhoi by Steinar Hansson; date and place not given]

[Text] Two of SV's Storting representatives speak out against the party chairman's suggestion of reaching agreements with the Labor Party. "SV is being forced to use its energy on discussing something that has no real basis," says Kjellbjorg Lunde, while Stein Ornhoi insists, "We are not out to get Furre, we just want to note a different view in the debate on relations between DNA and SV."

Berge Furre's suggestion about agreements between the Labor Party and SV was not received with open arms in SV. Several members of the Storting group are also skeptical. So skeptical that they allowed themselves to be interviewed by NY TID on the matter. Stein Ornhoi and Kjellbjorg Lunde feel that relations between the Labor Party and SV today are the maximum of what SV can achieve without greater support. "One cannot talk one's way into political power; one can only negotiate on the basis of political power," they say.

The two agree that Furre's debate initiative has led to frustration at the lower levels of the party.

[Stein Ornhoi] We have had a unified organization that is strongly developed. It has worked for many years without big political conflicts. Then we suddenly get a move that comes as a big surprise to most people. The only reason there has not been any more fuss is that our party members are so loyal and so disciplined.

[Question] Well, the "discipline" seems to have broken down now, at least in the Storting group.

[Kjellbjorg Lunde] We are being forced now to use our energy to discuss something that lacks any real basis instead of uniting around the party's

own policy or around an effort to show up the Conservative policy. That would be the start of an offensive movement. This debate conceals the difference between SV as a separate alternative and the policies of the Labor Party.

Alternative Needed

[Ornhoi] After a 30-year struggle, we are in the situation that people accept our views on security policy. That is what we should be working on. That is where the party should be used, not on destructive debates on agreements with the Labor Party. More than ever before, a clear alternative is needed to the established major parties.

[Question] Is it so remarkable that the party is discussing its parliamentary strategy? To date, SV has supported the formation of Labor governments without demanding anything in return. Is the party so independent and does it represent such a strong alternative?

[Ornhoi] The question is what SV will do if the Labor Party refuses to enter into negotiations or rejects SV demands. There should be no doubts in anyone's mind that under those circumstances we might refrain from supporting a Labor government when the alternative is a Conservative government. Of course Labor leaders know that.

Power

[Question] But isn't it Furre's idea to bring SV "to the fore" when power is being divided up?

[Ornhoi] But what is the "fore"? Starting? There are other areas where we can make our mark quite well. The peace movement and the environmental protection movement, for example. If this kind of work enables us to mobilize people and gain increased support, the balance of forces will change. That might totally change the possibilities for negotiation.

[Lunde] The problem now is that it looks as if the party leader has initiated a debate in which everything has been decided in advance. At least that is the way it is regarded by people outside the country.

[Question] Furre has made it clear that the debate will not be concluded prior to the SV national congress in 1985.

[Ornhoi] Even so, a party chairman does not select the topics for discussion at random. I do not think it is good that the party organization regards this as meaning that Furre wants to create a different relationship between SV and the Labor Party than we have had up to now.

Personality Conflict?

[Question] Are you out to get Berge Furre?

[Ornhoi] No, we are just noting a stand on a concrete matter.

[Question] But it can easily lead to personality conflicts if people behave the way you are doing now.

[Ornhoi] What I am doing now is saying that I disagree with Berge Furre's move and that I would rather see our forces used to continue the political line pursued by the party in the past.

[Question] To be quite honest, doesn't this involve a new power struggle in SV? When DAGBLADET makes a sensation out of reports that Berge has been seeing Gro in "secret" meetings, doesn't it look bad?

[Ornhoi] DAGBLADET headlines would not even be there without Furre's initiative. It is an old saying in politics that one is not judged on the basis of one's good intentions but on the basis of how the things one does are interpreted. Of course there is nothing wrong with meeting Labor people.

Party Dispute Regarded as Serious

Oslo KLASSEKAMPEN in Norwegian 23 Sep 82 p 6

[Article by Lars M. Hjorthol]

[Text] "The storm we are seeing now in SV is more than the usual tempest in a teacup. The discussion in SV on relations with DNA reflects deep conflicts within the party and basically concerns the future existence of the Socialist-Left Party as an independent party.

"Of course, from a purely partisan and tactical viewpoint it would be a good thing for us in the Red Election Alliance [RV] if SV snuggles up to DNA. But from the point of view of the class struggle, it is a bad thing for even more people to be drawn closer to DNA."

That was RV secretary Jahn Arne Olsen's comment on the party struggle now going on in SV.

The dispute was touched off by Berge Furre's proposed debate concerning SV's relationship with DNA, with Furre supporting a closer and more binding cooperation with the Labor Party in connection with municipal and Storting elections. Reidar T. Larsen, Hans Ebbing and most recently Stein Ornhoi and Kjellbjorg Lunde of the Storting group have all strongly attacked Berge Furre's views.

"A destructive debate," is how Ornhoi characterized it.

"The debate covers up the differences between SV as a separate alternative and the policies of the Labor Party," said Kjellbjorg Lunde.

Real Differences

"The strong opposition to Berge Furre expresses fundamental and very real differences of opinion within SV," said Jahn Arne Olsen.

"This debate was formally initiated as a discussion of tactics in connection with elections and parliamentary work. But Berge Furre's move has stirred up unclarified questions of principle that have long plagued the party. The reason why Ornhoi and others have taken such a strong line is that they realize SV's future existence as an independent party is in jeopardy, while they also fear a tactical backlash in the next election. After all, why should people vote for a little DNA when they can vote for a big one?

DNA Syndrome

"The 'DNA syndrome' has always been a problem for SV. In the first place, SV is the spitting image of DNA, like SF [Socialist People's Party] in the 1960's and AIK [Labor Movement's Information Committee] 10 years later. Historically, SV has been regarded as a leftist alternative to DNA with strong political and personal roots in the 'mother party.'

"In the second place, the class composition of SV, its character of 'civil servant party,' help to increase the pull toward DNA.

"And the current situation places SV in even more of a bind. Berge Furre assumes that the political and economic maps of Norway have changed fundamentally as a result of the economic crisis and the Conservative assumption of government power. When DNA launches its 4-year campaign against the 'blues,' it is a problem for SV.

"The problem is even more intense because SV does not stand at the head of any mass movement. The party's 'farewell to the proletariat' was just as much the proletariat's farewell to SV. SV seems to play an extremely modest role in the union movement. Instead of deliberately developing SV's mass base, Berge Furre is concentrating on 'negotiating his way to power,' as Stein Ornhoi put it.

SV and DNA--Hand in Glove

"The Red Election Alliance has a clear analysis of DNA as a nonsocialist party. The Conservative government is now preparing to carry out the DNA long-term program. Since SV and RV are competing parties, it would be a good thing for us from a partisan tactical point of view if SV were to glue itself even closer to DNA. In parliamentary work, SV and DNA have long been as close as hand in glove. Berge Furre wants this relationship formalized.

"But from the point of view of the class struggle, the effort to combat the crisis, it would definitely be a bad thing if Berge Furre's views were to gain majority support within SV. This would lead to DNA strengthening its monopoly over the labor movement and subordinating the unions to an even greater extent to its own tactical moves. We have seen quite clearly the consequences of one-sided DNA dominance in the union movement during the last round of wage settlements. Therefore we naturally hope that the storm against Berge Furre gains momentum within SV," said Jahn Arne Olsen.

Party Has Lost Pivotal Position

Oslo ARBEIDERBLADET in Norwegian 1 Oct 82 p 6

[Article by Thor Viksveen]

[Text] After the Storting election last year, the Socialist-Left Party returned to Storting with twice as many representatives as it had in the preceding period but with at least less than half its former influence in Norwegian politics. It was no longer is the desirable swing-vote position that could focus attention on both the party's political issues and its tactical assessments.

It is not surprising that a party with modest support and little parliamentary influence should feel political abandonment close at hand. It is common for parties suffering setbacks that they look for reasons for the problems within the movement. Why are we unable to handle things better?

Leftist Socialism

As so often in the past, the SV soul-searching this fall has consisted of defining the party's relationship to the Labor Party. At present an internal debate is raging on future cooperation forms in relation to Social Democracy. It has brought out most past and present party leaders. Berge Furre, Finn Gustavsen, Reidar Larsen, Hanna Kvanmo and Stein Ornhøi have been wrangling in the party organ, NY TID.

The debate reveals once again that it is not easy to be a left-wing socialist who on the one hand does not want to have anything to do with revolutionary communists and Moscow supporters and on the other hand views Social Democrats as betrayers of the true idea.

Old Debate

This is a debate that is as old as socialism. The way things look in the SV party ranks, one can only pick out some words and dates and one can determine that the party has been through the same thing a great many times before. In recent years this has been illustrated very dramatically in the work of the Storting group in the period from 1973 to 1977 where the

differences between such people as Reidar Larsen on the one hand and Finn Gustavsen and Berge Furre on the other came into focus repeatedly. The same people and fronts are the most zealous in the debate this time.

And in the middle of the conflict, the party has to note that the major blocs in Norwegian politics--the Labor Party and the Conservatives--have their hands full fighting it out with each other. This will be further intensified in connection with the presentation of the national budget.

SV will therefore continue to live its own life in conflict with itself, without very many other people caring who wins and who loses.

6578

CSO: 3639/11

LIBERAL PARTY SETBACK AT POLLS THREATENS NONSOCIALIST 'LEFT'

Conservatives' Attack Damages Cooperation

Stockholm SVENSKA DAGBLADET in Swedish 21 Sep 82 p 7

[Commentary by Hans O. Alfredsson]

[Text] Relations among the nonsocialist parties will no longer be the same as before. That is seen as a very probable consequence of the election outcome, and it was also heralded by Thorbjorn Falldin's sharp criticism of the Conservatives on election night.

It is generally felt that the parties will strengthen their images as individual parties and not try at almost any cost to present a united front.

Many people outside the nonsocialist ranks seem to have been surprised by Falldin's sudden and forceful move. As soon as the election defeat was a fact, he said repeatedly exactly what he thought of the Conservatives. It was as though something inside him had snapped, exactly as happened when the first three-party coalition broke up over the issue of nuclear power.

Hard To Cooperate

But those close to Falldin and the Center Party's workers around the country were scarcely surprised. It has long been known that Falldin and many others in the Center Party have been irritated by the fact that despite all the talk about cooperation, the Conservatives have so obviously emphasized their own position on many issues.

Falldin talked on election night about "ruthless campaigns" by the Conservatives: campaigns that have been "directed exclusively against the Center and Liberal Parties--the government in office.

He said: "Unquestionably, this will make cooperation as opposition parties difficult."

Falldin claimed that the campaigns have left deep scars among the Center Party's people around the country and have "definitely not" facilitated cooperation in the field.

He also said that during the time of the three-party government, he himself had had to spend a great deal of time trying to hold the government together. During that time, the two middle parties--but chiefly the Center Party--were often irritated at the way in which Lars Tobisson, then party secretary and now deputy party chairman, conducted himself outside the government.

Falldin said more or less openly toward the end of the election campaign that in his opinion, it was that behavior which caused the breakup of the three-party government.

Conservative spokesmen reject Falldin's talk about "campaigns" and deny that any attacks were directed against the middle parties. Party secretary Georg Danell also considers it scarcely meaningful to discuss future nonsocialist cooperation against the background of what is said during the "state of feeling" that prevails immediately after an election defeat. He says he is assuming that cooperation will be possible under approximately the same conditions as before.

"It is also wrong to say that we have sharpened our profile. We have not changed our outlook on any issue. We have our opinion, and we have stuck by it."

Several middle-party politicians with whom SVENSKA DAGBLADET spoke believe that nonsocialist cooperation in Parliament will now assume an entirely different character. It was already cracking seriously during the last parliamentary year, especially in the Finance Committee, but there was nevertheless an effort to iron out differences.

It is felt that with the new situation in Parliament, in which the Social Democrats alone are bigger than the nonsocialists combined, there is no reason to stick together. That view is shared by Kjell A. Mattsson, leader of the Center Party's parliamentary group.

Looser Bloc Politics

"Now, at any rate, the most urgent task is certainly not that of trying to unite around a common position. Now it is more urgent for us to present our own policy."

Kjell A. Mattsson does not believe that the nonsocialist parties will meet to adopt a common approach to specific issues, as they did before. He considers it more likely that it will be done only in connection with four or five different proposals submitted to the chamber for a decision. He is guessing that the rigid system of bloc politics which has prevailed until now will eventually loosen up.

The Center and Liberal Parties were both careful during the election campaign to avoid talking plainly about a possible nonsocialist government. But it was clearly understood that neither Ullsten nor Falldin wanted to form another government with the Conservatives.

The three nonsocialist party leaders "happened" to wind up in a picture together in connection with the final TV debate. It was certainly not what Ullsten, at least, had intended. His only comment afterward was that the picture showed "three well-dressed gentlemen."

The question is whether the change in relations among the nonsocialists will also have a more far-reaching effect. How strongly did 6 years in the government actually shake the cooperation whose seed was sown in the early 1970's?

Dilemma Seen in Dumping Ullsten

Stockholm SVENSKA DAGBLADET in Swedish 21 Sep 82 p 7

[Article by Claes-Goran Kjellander]

[Text] "If there had been a natural successor, Ola Ullsten would certainly have resigned. But if he leaves his post now, the party will be hurled into a meaningless and uncertain struggle that may make the situation even more difficult."

That is what SVENSKA DAGBLADET was told by one of Ola Ullsten's close collaborators who, like everyone else, has no good solution to offer: Ola Ullsten can really neither leave nor stay on.

The mood in the party leadership was not improved by the fact that even before the election, one of the party's leading members in Parliament--Olle Wastberg of Stockholm--had already urged Per Ahlmark to let it be known that he was available to step back in as party leader.

Ahlmark declined, but several Liberal Party members regard him as being interested in getting back into party politics.

Open Debate

Wastberg held a central position in the party. It caused great irritation after the 1979 election when he wrote an article strongly critical of the party's election plan. It was said that as one of those responsible for that campaign, he should have refrained from casting stones publicly.

Now that he is acting directly against Ullsten, the open debate concerning the party leadership is a fact.

Opinions around the country as to what the party should do now are naturally very divided. Everyone is emphasizing how difficult it is for a small party in the government to gain a hearing for its policy when the country's economy is doing badly.

Many of them point to Falldin's strong election campaign:

"We could have used a Kalmar of our own," says Hans Cavalli Bjorkman, one of the new "power men" on the party board.

"Perhaps the Liberal Party leadership was too timid. We should have demanded our own debate between Palme and Ullsten," he says, adding that it was Falldin's performance in Kalmar that kept the Center Party as a government party from being hurt as badly as the Liberal Party.

Sven G. Andersson of Orebro resigned as member of Parliament last spring. He points to the little party's problems, but also to the party leadership's role:

"We need a party leader who is strongly focused, not one who is hazy and diffuse.

"Ola is no propagandist, of course. It was more a matter of his sailing in after Ahlmark."

Dissatisfaction with the Stockholm "Mafia" is well known, of course, says Andersson, but he does not believe in Ahlmark:

"He is being promoted by self-centered people who do not really care about the party."

So how realistic is the possibility that Per Ahlmark may enter the picture?

Those mentioning his name usually talk about his ability to get to the center of the debate. Quite simply, what is needed is an exciting propagandist who is already firmly established and well known in the party.

It is said that no such people exist in the current group of politicians. Bjorn Molin, the minister of trade, comes closest--and he, too, of course, is from Goteborg.

How about a woman? Birgit Friggebo is too closely linked to the circle that has now failed, and the others are either too little known or too controversial. It is also a matter of balancing the party's traditional division between liberal broadmindedness and more radical liberalism.

Sven G. Andersson says: "We need someone who will put our policy across. As a craftsman and merchant, I know that if I cannot sell my goods and services by my own efforts and on the basis of quality, my customers will go to the competition. When politicians say that they cannot get their message across, that is just talk. People do not read articles: what is needed, quite simply, is someone who will talk so that they will listen."

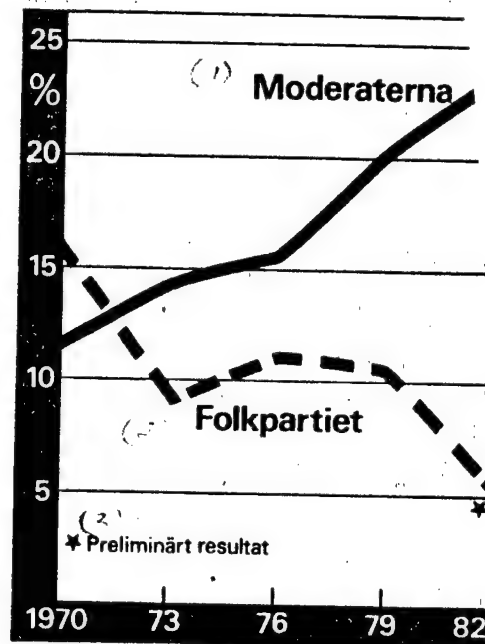
It should also be said, however, that during his many trips around the country during the election campaign, Ola Ullsten had good contacts with people in the party and considerably strengthened his popularity.

That is reflected, for example, in a series of telephone calls made by SVENSKA DAGBLADET to a number of party representatives.

For example, Lisbeth Andersson, the representative in Kalmar County, says: "Ola Ullsten conducted a brilliant campaign. It is not his fault that things went so badly, and we are not demanding that he resign."

Göte Pettersson, who is the representative in Norrbotten, says that the defeat is certainly unfortunate but that it may turn into something positive:

"It is something of a relief to get out of the Chancery. Now we must push our own issues harder and create a clearer image of ourselves."



The Liberal Party had its best postwar election results in the parliamentary elections of 1952, when it won 24.4 percent of the vote. The party then hovered between 14 and 17 percent during the 1960's. The Conservatives had their best election in 1958, with 19.5 percent. Their share of the vote then declined steadily until it reached 11.7 percent in 1970--after which it turned upward again.

Key:

1. Conservative Party
2. Liberal Party
3. Preliminary results

Liberal Youth Leader Comments

Stockholm SVENSKA DAGBLADET in Swedish 21 Sep 82 p 7

[Text] "Now the entire party from Smygehuk to Kiruna must meet and reflect on this: how will society look in the 1990's? What issues will be important then?"

Peter Orn, chairman of the FPU [Liberal Youth Association], wants his party to adopt the successful formula used by the Center and Conservative Parties to seize the initiative again. He feels that the election defeat can then be turned into something positive.

If the FPU gets its way, a new and more firmly liberal Liberal Party will rise out of the wreckage. A party that would rather leave a government than consent to reduced social assistance.

Liberal Party Also Hurt Financially

Stockholm SVENSKA DAGBLADET in Swedish 21 Sep 82 p 7

[Text] The Liberal Party's disastrous showing in the election means more than a loss of seats in Parliament and less influence--the party will also be hit very hard financially.

The Liberal Party's national organization has a total budget of 9.5 million kronor this year, and its party subsidy is going to drop by 1 million kronor per year for the next 3 years.

Between now and the 1984-1985 parliamentary year, the Liberal Party will therefore lose a good 30 percent of the subsidy it currently receives from the government, and all because of its collapse in this year's election from 38 to 21 seats in Parliament.

At the same time, the Conservatives and Social Democrats--who were the winners in the election--will receive larger grants over the next few years.

Despite the Center Party's loss of eight seats, the election results will not mean economic disaster in its case.

Government subsidies to the parties are divided into three parts:

The major portion of the subsidy consists of a grant based on the number of members a party has in Parliament. Each seat in Parliament gives the party 173,000 kronor per year.

But to keep a losing party from being completely penniless, the subsidy is reduced in stages throughout the following term of Parliament. The subsidy for parties that win is scaled up in the same way.

The second part of the subsidy is the basic subsidy for a party's secretariats. Every party in Parliament receives 3,025,000 kronor per year, regardless of size.

The third part of the subsidy is the supplementary subsidy for party secretariats. In this case, parties in the government receive 8,450 kronor for each seat in Parliament, and opposition parties receive 12,650 kronor per seat.

Party Partly Responsible for Own Troubles

Stockholm DAGENS NYHETER in Swedish 5 Oct 82 p 2

[Editorial by O.K.: "Is the Nonsocialist Left Dying?"]

[Text] In somewhat varying forms, liberal parties in Sweden have represented a sort of nonsocialist Left. To a large extent, they have been rooted in a middle class that has regarded gradual improvements in society, social leveling, free enterprise, expanded and good education, and great freedom for the individual as central values.

That middle class has stayed clear of the one-sidedly materialistic messages from the Right and the Left. And it has felt that it belonged to a world other than that of the power giants in business and the Social Democratic steamroller of the people's movement.

The Liberal Party's decline during the 1970's, and especially the party's disastrous election results this year, may indicate that the nonsocialist Left is dying out. In harsh times, it becomes a matter of looking after one's own house--or perhaps more precisely, one's bungalow--and of safeguarding the advantages already won. It has felt safer to turn to parties with a class character and economic promises.

But the Liberal Party must also accept a large share of responsibility for its election defeat. The fight against the wage earner funds was not rounded out with tough criticism of the existing concentration of power. What remained of the social liberal image was its commitment to development aid and equality--honorable and important, but not tangible enough for people in an everyday world of increasingly tough social conditions.

County Council Commissioner Nils Hallerby wrote in the DAGENS NYHETER "Debate" column on 30 September that the Liberal Party's leadership was not interested in a sense of social responsibility. The Liberal Party's period in power has been perceived as opposed to work on behalf of close-range democracy and the diffusion of power, admitted outgoing Minister of Trade Bjorn Molin (DAGENS NYHETER's "Debate" column, 4 October).

As often happens when a party does poorly in an election, there is beginning to be talk of a new party leader. The idea of merging the Liberal Party and the Center Party has also come up again. But first of all, the content of the party's future policy ought to be discussed.

The nonsocialist Left--teachers, civil servants, those active in social work, and so on--is homeless. It is not certain that the Liberal Party can create a home for it or that it even wants to. But a home is needed. Otherwise, the danger exists that the group in question will be drawn into the Right and the

Left. The Center Party can scarcely attract it. And there will then be a void in politics.

"A country must have an enlightened, liberal, intellectually all but radical, and vital middle class if reforms are to gain a foothold and be carried out," writes Anders Clason, chairman of the Cultural Council, in the latest issue of POLITISK TIDSKRIFT. The middle class is not only a link between conservatism and socialism but also, in many cases, the exact group to supply knowledge and put national and local measures into effect.

If the middle class increasingly puts monetary considerations ahead of commitment and idealism, society will grow cold. If the middle class identifies itself more with its employers or its union organizations than with the development of individuals, things will become difficult for the unique and the different.

The Liberal Party has tried to be a party representing individuality and idealism. But it has proven difficult to square the diffusion of power with the party's policy that looks only at results. Internationalism became a stumbling block to credibility for the Vietnam-era generation, and commitment to the environment did the same during the technocratic period of nuclear power.

Now the party can choose to start over again as a party of ideas for the non-socialist Left--with a clear image and a carefully thought out program.

The foundation should be social liberal: a market economy with a strong sense of social responsibility. The issues that should be especially appropriate to such a party are defense of the individual who is weak in the face of firms, organizations, and the authorities; generosity and tolerance (despite tight-fisted economic winds) with respect to poor countries, immigrants, and those who think differently; a strengthening of culture, education, and research at the cost of material demands; and commitment with regard to such threats of the future as computer technology, biotechnology, and environmental changes.

There is a place for it in Swedish politics.

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CSO: 3650/10

ECONOMIC REALITIES SEEN FORCING AUSTERITIES ON SDP

Stockholm DAGENS NYHETER in Swedish 21 Sep 82 p 8

[Article by Mats Hallgren]

[Text] Even a Social Democratic government could be forced to make harsher cutbacks than before in the public sector. The Social Democratic emergency program which now will be implemented speaks of a thorough reexamination of expenditures in the public sector.

The program states that even existing commitments may be cut.

In the recent election campaign, the Social Democrats stressed that Sweden must work and grow out of the crisis. This message was contrasted to the so-called cutback program of the nonsocialist governments.

The emergency policies of the Social Democrats also have been compared to the expansive policies in France under the socialist president Mitterrand.

Dangerous Policy

An examination of the Social Democratic emergency program, however, shows that it does not call for one-sided expansionistic policies.

In his book "A Solid and Concrete Program," Kjell-Olof Feldt writes:

"In the present situation in which most industrialized countries are engaged in belt tightening, pure expansionism is a dangerous policy for a small country that is highly dependent on other countries."

The emergency program clearly states that for several years to come there will be no room for increased private consumption. Municipal expenditures will increase by only 2 percent annually, compared to 5 or 6 percent in previous years. State expenditures also will be reexamined thoroughly.

Sacrifices

"The real reason why the Swedish economy is suffering is that we save and invest so little," Feldt continued.

The emergency program states repeatedly that sacrifices must be made to reestablish a stable foundation for the future through increased investments, especially in the sector of industry that must compete abroad.

One major problem for the Social Democrats is that they will inherit an extremely large and growing deficit in the country's foreign trade and in the national budget. This year the budget deficit will be about 80 billion kronor, which is 13 percent of the entire nation's total production of goods and services (GNP).

Investments

The Social Democrats will counter this problem with a major investment package aimed at areas that will strengthen industry's capacity to produce. This includes the transportation and energy sectors, among others.

The package contains no stimulus for private consumption. This clearly distinguishes the Social Democratic program from the Mitterrand policies in France.

A problem for the Social Democrats down the road, however, is that this hardly is sufficient to "get Sweden moving again," according to many economists, including Social Democratic economists. Most of the nation's economists agree that Sweden cannot eliminate the large budget deficits simply by implementing investment programs and through increased growth abroad.

Cutback Program

If the budget deficit's percentage of the GNP is to be reduced, a program of cutbacks in the public sector will be required of at least the same magnitude as those implemented by the nonsocialist governments, according to many economists.

If these cutback programs are to have any results, they must deal with the so-called transfer system. This means cutting pensions, child and rent subsidies, food price subsidies, etc.

The Social Democratic emergency program which now will be implemented merely mentions the problem, but says nothing about how and where money will be saved. It is precisely this point that has been criticized by some younger Social Democratic economists.

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CSO: 3650/5

ENVIRONMENT PARTY ADVANCES IN LOCAL ELECTIONS

Stockholm DAGENS NYHETER in Swedish 23 Sep 82 p 6

[Excerpt] The Environment Party gained representation in the municipal councils of 92 municipalities. The party is not represented in Stockholm, since it urged its supporters to vote for the Stockholm Party.

The majority position changed hands in 56 of the country's 284 municipalities. Now 88 municipalities have a clear nonsocialist majority and 150 have a clear socialist majority. There is no clear majority in 42 municipalities in which the small parties hold the balance.

In the municipalities where a change of power has occurred, not one single municipality has gone from a socialist to a nonsocialist majority. The changes have resulted in either a socialist majority or no clear majority at all. KDS (Christial Democratic Party) holds the balance alone in 17 municipalities.

"On the whole, the local election results reflect the parliamentary elections. There have been no major sensations except that several typically nonsocialist municipalities have become socialist," said Hans Andersson, executive secretary of the Association of Local Governments.

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CSO: 3650/5

PAPER SEES INTERNATIONAL RECESSION AS CHALLENGE TO PALME

Stockholm DAGENS NYHETER in Swedish 25 Sep 82 p 2

[Editorial by Nils-Eric Sandberg]

[Excerpt] The Social Democratic politicians now must leave the world of campaign speeches and enter the world of reality. That is a long step.

All those who believed the campaign promises must be expecting great things from the new government. To be sure, campaign speakers, especially Olof Palme, used only vague slogans ("We will take to the offensive," etc.) and carefully avoided objective analyses of the country's economic crisis, but the harsh criticism of the nonsocialist parties for everything that has gone wrong contained two indirect assertions: first, that a Swedish government can have complete control over the economy, employment, etc. and, secondly, that a Social Democratic government will accomplish this.

Is this very likely?

A small, open economy with much foreign trade and fixed exchange rates will have approximately the same inflation rate as the rest of the world. In addition, the price of its products is determined by the world market, i.e. by the larger competing countries, and must follow their combination of wages and productivity.

Sweden has just such a small, open economy. Sweden is dependent on foreign countries. Not a word about this was uttered in the Social Democratic campaign speeches.

But now they must deal with reality.

Sweden exports about half its industrial production, corresponding to about 30 percent of its GNP. Thus, the international economic situation has a great impact on the profitability, employment level, etc. of our industries.

A temporary international upswing in 1979 was reversed by the oil-price rises of 1980. Since then, things have gone mostly downhill. Industrial production

in Western Europe has dropped several percentage points. World trade increased in 1981 and 1982 by about 1 percent annually--compared to about 10 percent during the sixties.

The nonsocialist government was blamed for all of this.

What help can the new Social Democratic government expect from abroad?

Not much, according to the OECT (Organization for Economic Cooperation and Development), the IMF (International Monetary Fund), and the central banks of West Germany and England.

In general, many countries have accepted large budget deficits as a means of keeping consumption down and employment up. As the deficit adds to the volume of money in circulation, however, thus increasing the inflationary pressure, these governments are forced to combat inflation by reducing state expenditures, at least nominally. The future West German government, especially, has chosen this path.

What will Sweden do? We cannot export more ore and iron during the current economic slump, since the steel industry in the Western world is utilizing only about half its capacity. For several other goods, Swedish exports are such a low percentage of the total world exports that they can increase somewhat even in a slumping market. This presupposes, however, that Swedish industry can reduce its prices and costs, perhaps by 10 to 15 percent--which, in turn, presupposes lower wage costs or an improbably drastic devaluation.

When markets stagnate, price competition becomes decisive. During the frivolous years of 1974 to 1976, Swedish costs rose more rapidly than those in the rest of the world. This was followed by a rise in the relative prices of Swedish goods and Swedish industry lost much of its share of the market--about 20 percent. To regain this share of the market, Swedish companies must reduce their prices drastically, below the prices of their competitors. The price difference must be so great that it more than covers the purchaser's costs for changing manufacturers.

Which of Palme's campaign speeches dealt with this problem?

9336

CSO: 3650/5

ASSESSMENTS OF ALTERNATE DEFENSE CONCEPTS

Basic Features

Bonn TRUPPENPRAXIS in German Sep 82 pp 623-627

[Article by command staff advisors Maj Karl-Heinz Lather and Lt Col Heinz Loquai. Two subsequent articles on the subject are announced. Only one of them follows this first article below]

[Text] Alternate defense concepts are experiencing a boom in public attention. That is not astonishing because the officially endorsed concept is more and more definitely reaching its limits, financially and in terms of personnel, politicians say it is socially no longer agreed upon,¹ and competent critics are dubious of its effectiveness.²

This article intends to present the basic features of some alternate defense concepts. The list of authors can, of course, not be complete. We shall deal with concepts formulated explicitly for the FRG or in which its basic ideas play an important role. The public attention given to a concept also guided us in our selection because, not last, it is the public debate that bestows importance, as far as security policy is concerned, on ideas expressed.

1. Classification of Models

In terms of the main objectives of their authors, the alternate defense concepts can be arranged as follows:

Alternate Defense Concept

Nonviolent Defense
("Social Defense")
(Ebert)

Defense by Armed Forces

Political-Strategic Models
("New Strategy")

Structural Preparedness Models
(Increased Efficiency for the
Armed Forces within the Scope
of the Official Strategy)

--Afheldt
--Loser
--Spanocchi
--Brossollet

--Birnstiel
--Uhle-Wettler

The arrangement is made in accordance with the authors' claims. For most of the concepts dealt with here it is characteristic however that they range from security policy all the way to details in tactics and organization.

2. Essentials in the Concepts

We want to present and interpret what the authors have said. We had to confine ourselves to the basic lines. Our concluding article is going to present operational aspects in more detail, to be sure, when territorial and forward defense are compared.

2.1 By Social Defense,³ Ebert means the "defense of social institutions"⁴ by operations without resorting to the use of weapons. An aggressor will meet no military resistance but a nonviolent defense without arms.

The purpose of this type of defense is to preserve the social institutions though the territory is occupied, make possible their continued functioning and thereby to bar the occupier from access to governing the occupied country.

This is to be obtained, in particular, by the following strategies and tactics:

(1) Preparing the social defense by "unmistakeable warning signals" sent to the aggressor to avoid misinterpretations regarding the readiness for resistance. "Here, in addition to government announcements and legislative preparations for the case of defense, one may think of demonstrations and solemn acts of resistance obligations, especially by the civil servants. Friendly nations may be asked the issue announcements about actions they might take in the case of intervention. This would mainly amount to diplomatic activities and boycott and embargo measures."⁵

Ebert also includes in his concept "maneuvers in social defense" to strengthen the power of resistance and the warning signals. Along with "sit-down strikes in front of tanks" he also projects the "practice of game plans like forming a government or parliament in exile in case the legislative and executive organs are liquidated."⁶

(2) Keep Working Dynamically without Collaboration

"The basic form of resistance in this situation: strictly to refuse obedience to the aggressor and meeting one's own tasks with enhanced dedication in loyalty to the constitution and the laws. In its basic form social defense is not a hunger-strike of the nation but intensified normalcy under abnormal conditions."⁷

(3) Tactics of Confrontation

Ebert refers to "go-ins" and "sit-ins." "In the case of aggression, the politicians in the federal and Land parliaments, the civil servants in the ministries and city halls, and the journalists on the editorial boards would not be left alone. The boundary would be a wall of people, access to radio stations would be blocked by sit-down strikes."⁸

(4) Informing the Occupiers and Enduring Terror

Groups of the aggressor's soldiers or civilian personnel are to be "drawn into conversation and informed about" the defenders' "own ideas."

"If the aggressors seek to intimidate the resistance fighters through exemplary terror or provoke them into counteraction, they have to tolerate such operations with deliberate composure."¹⁰

In summarizing Ebert's ideas, one may say:

(1) Social defense renounces

- meeting an aggression by the force of military arms,
- barring the aggressor's access to one's own territory, which turns the terrain of the defender into the domain of confrontation with the aggressor,
- massive resistance from the start.

Social defense can then also be seen as a social strategy of attrition in which the entire population takes an active part. This concept translates strategies and tactics of domestic conflict into foreign and security policy.

(2) The crucial sociopolitical prerequisite for social defense is "participatory democracy," a form of the classless society not defined in detail.¹¹

(3) Ultimately, social defense even is "counter-offensive," in that it "counts on" overthrowing the aggressor's government and accomplishing a change in his power structure.¹²

2.2 Structural Preparedness Models

The models presented here, according to the explicit contention of their authors, stay within the framework of NATO strategy now in effect.

a) In his book "Battleground Central Europe,"¹³ Uhle-Wettler deals with the capability of the German Army to meet its defense mission. According to him, the continued fixating on Guderian's tank tactics has led to wrong developments in structure and tactics. Therefore the army was no longer in the position to fulfil its mission in a cost-effective manner. Essentially, the critique attacks the following points:

--With its mechanized formations, the army could not adequately defend covered terrain, i.e. villages, towns, forests, mountains. But precisely that kind of terrain made up approximately half of the areas to be defended.

--Logistically, combat troops depended greatly on supply formations. They were a great drain on the combat troops in terms of personnel. Excessive technology rendered the ratio between combat troops and supply units in the largest sense ever more unfavorable.

--Financially, mechanized combat troops were so expensive that only some of the large formations required could be formed, and those formations could not be adequately supplied.

--The operational readiness of the mechanized combat troops greatly depended today on the supply units, which in turn depended on the state of mobilization. This need for early mobilization placed the political leadership in a forced-move situation that is risky in stabilizing a crisis.

According to Uhle-Wettler, the core of the problem lies in optimizing the equipment and structure for the thus far neglected half of the terrain. He proposes forming "light infantry" units and for that purpose do without some of the mechanized units.

Light infantry is

- to be equipped with simple and fairly light weapons that can be transported by air (portable antitank guns, light mortars) and do without armored protection and great operational mobility,
- to operate independent of large supply apparatuses,
- defend covered terrain loosely on operational principles that resemble partisan tactics.

Altogether Uhle-Wettler holds the view that cheaper and more effective defense is possible through army reorganization and attention to other priorities in equipping.

b) Birnstiel¹⁴ is especially concerned with improving the forward defense. In his view, the conventional NATO defense is not adequate, in quality and quantity, to deterring a military crisis development ahead of time and stopping surprise attack.

That, however, placed doubt on the forward defense, recognized in principle by all NATO partners, as far as its practical implication is concerned.

In particular, Birnstiel proposes:

- replacing delaying-combat by a close-meshed and staggered blocking system straight up at the west of the border to slow down the enemy advance,
- mobile defense with mechanized units in depth,
- employment of strong operational reserves on the focal points of operations command,
- creating the additional forces needed for his concept by setting up new mobilized units.

Both Uhle-Wettler and Birnstiel deal with ground troops warfare, especially with the ability of the German Army to fulfil its mission. They are concerned with improving the effectiveness of forward defense and the possibilities for implementing NATO strategy.

2.3 Political-Strategic Models

We shall first present at this point two concepts that were developed as national concepts for other countries to be sure, the basic ideas in which, however, have partly entered the concepts for the FRG to be dealt with subsequently.

a) The Austrian General E. Spannocchi intends to develop with his proposals the "concept of a practicable model for neutrality-related national defense by a small state."¹⁵ Austria, he assumes, is of no direct importance to an aggressor and only serves for the passage of his troops. The armed forces could achieve an adequate deterrence if the aggressor would be blocked by the sort of obstacle which to surmount would take so much time "that the undertaking becomes operationally senseless because the Austrian resistance provides the actual enemy of the aggressor with precisely those advantages that were to be ruled out."¹⁶

From an analysis of warfare history, Spannocchi derives the following general realization: A qualitatively and quantitatively weaker party always would succumb to the stronger party at short shrift "if facing the conflict by identical maxims but, due to the smaller potential, at a proportionate reduction in force, as it were."¹⁷ Thus the point would be "not to return like for like but unlike for like."¹⁸

From an examination of the guerrilla warfare principles, Spannocchi gains his proposals for strategic-operational principles. They may be summarized as follows:

- (1) The "decisive battle" is replaced by the tactics of "thousand pinpricks, some of which do hit vital arteries."¹⁹
- (2) The defense uses the terrain favorable to it of its own territory in its entirety.
- (3) Defense as a whole is not restricted in time, i.e. it lasts as long as the aggressor holds territory occupied. A particular battle, however, must be ended fast for the sake of using the advantage of tactical surprise.

The application of these operational principles gives rise to the system of a "differentiated area defense." That makes most specific demands on armed forces capabilities. For that, Spannocchi proposes forces that are optimized in terms of their specific tasks: command forces, traditionally extant formations, light militia, local supply units.

Altogether Spannocchi thinks the "classical decisive battle" ominous for Austria's situation. It should be broken up into a large number of single battles which, however, should be functionally interconnected and coordinated through the defense plan.²⁰

b) The French officer Brossollet also designs a defense concept for his country,²¹ proceeding from that "in the era of mutual deterrence" the nuclear commitment of the Americans could not longer be accepted as safe and Europe is no longer protected by transatlantic missiles.²²

Brossollet's principal objective: to deter against a war by the totality of nuclear and conventional arms. Nuclear weapons here are in principle "political weapons" serving deterrence before and during a war. They are to be used exclusively for political, not for tactical or operational, tasks.

The various force categories, according to Brossollet, are to have the following tasks:

--Conventional armed forces, as "testing and information forces," have the task to gain time and "procure the information needed for implementing their political-strategic operations." They are to test the "enemy's aggressiveness" and halt his advance to provide the government with time "for letting its decisions ripen."²³

--The nuclear warning armed forces, which have to be wholly autonomous, have the function of the "ultimate warning."²⁴

--The strategic nuclear forces are to deter an aggressor by the possibility that his cities are destroyed.

The centerpiece of Brossollet's ideas is a concept for conventional ground forces warfare.

Much like Spannocchi, Brossollet remarks: "Seeking battle with the same weapons the enemy has, even though while inferior in numbers, seems unintelligent, to say the least."²⁵ From which he infers: "A mode of combat resorting to methods, modes of fighting and weapons that differ from the enemy's could place the Warsaw Pact armed forces in a dangerous situation within the requisite time frame."²⁶

Brossollet proposes:

(1) Tactic of "pinpricks and punches" evading battle and interfering with and delaying the aggressor by a great number of separate operations;

(2) a structure marked by relatively small organizational elements that can carry out their missions autonomously (so-called modules) and are less rigidly tied into a hierarchy;

(3) equipping the modules in accordance with their specific tasks (air mobility, antitank capability).

While they differ in their security policy and geo-strategic approach in the tactical-operational field and about equipment, Brossollet on the whole arrives at conclusions which in principle are also those of Spannocchi's. Nor is it difficult to find them again in the concepts that still have to be presented in the following.

c) Afheldt's objective is to develop a rational strategy which as part of a shored-up peace policy can make war unlikely over the short or foreseeable course and with it, over the long run, serves world peace.²⁷ This strategy is meant to

--stabilize peace, i.e., make war as improbable as possible,

--have effects that would not be destabilizing in a crisis, i. e. would eliminate any military advantage for preventive or preemptive attack,
--facilitate options during war that would not violate the interests of the defending party, i.e. would make possible preserving the social and economic structure of the country in the defense.

Afheldt conceives of two very different tasks for conventional and nuclear weapons:

--Nuclear weapons are to be used exclusively in conformity with political criteria. They have the purpose to deter the enemy from using them and grant options for reconstituting the status quo ante. The following principles apply:

--NATO's nuclear weapons are to be deployed outside of Central Europe;

--The target of the political threat to use nuclear weapons must be the enemy government, i.e., in the case of a Soviet attack, the threat must be the destruction of Soviet domination over Eastern Europe. Afheldt thinks this possible by limited, previously announced, nuclear strikes against the economic structure in the East European countries (excluding Soviet lands).²⁸

--The task of conventional weapons is to make an enemy pay dearly for an attack in Central Europe and for occupying territory of NATO states (plausible deterrence) and prevent, in case of an attack, a fait accompli. Thereby the United States is to be given time "to apply its means of power, especially its nuclear weapons."²⁹

Afheldt designs a conventional defense model with explicit reference to Brossel-let. Over the whole territory of the FRG, a network of so-called techno-commandos, equipped with light antitank weapons and enabled to engage in autonomous combat, is to wear the attacker out. Such conventional defense can however only gain time. The decision even Afheldt expects from the use of nuclear weapons, unless the aggressor stops his aggression and withdraws.

Altogether, Afheldt has developed a concept that is logically consistent and cogent, as long as the premises and normative criteria he introduces are recognized.

d) Loser wants to design a defense concept³⁰ to prevent the alternatives between capitulation to enemy superiority ("red") and nuclear holocaust ("dead").

His propositions "mean to develop a defense system network in a logical and closed circuit that is to embrace in an unequivocal and adequately strong defense structure strategy--international law--motivation--protection of the citizens--defense against terrorism--development of the FRG Army--the alliance--arms control."³¹

In particular Loser aims to show "that defense today by no means depends exclusively on nuclear arms"³² and that his concept can reinforce a people's will to defense.

"The strategy of 'flexible response' and the Triad is to be replaced by a 'strategy for a balanced war prevention' with the military strategy of 'adequate defense.' Its means are conventional forces in a balanced defense structure and nuclear weapons to prevent nuclear blackmail attempts by a potential aggressor."³³ The only function nuclear weapons then have is to deter an aggressor from using such weapons.

Essential operational and structural criteria in this concept are:

--A staggered defense system at depth with forces specifically trained and equipped: border defense by strike and protective forces; protection of the hinterland by home protection forces. (This idea of a staggered defense system in depth is also found in Birnstiel, Spannocchi and Brossollet; Afheldt, on the other hand, has more the idea of an area-wide protection).

--Mobile tactics and operations command, by which "big battles" are to be avoided. By the use of the terrain, a system of barriers and a great number of separate battles, an aggressor is to be worn down. (Similar ideas were developed by the authors referred to in the last paragraph, except Birnstiel, and by Uhle-Wettler).

--A simpler conventional armament, specifically oriented to defense. (Analogous thoughts are found in all previously mentioned authors).

--The use of command principles in mission-assigning tactics which grant greater independence to the lower echelons in the military hierarchy and encourage their own initiatives. (Such proposals have by now become practically ritual demands in alternate and valid concepts).

--A graded presence, considered possible through a more consistent use of the reservists' potential. (Uhle-Wettler and Birnstiel also argue that way).

Altogether, Loser makes various conceptual models flow together in a checkered mosaic, its structure not always becoming all that clear. The range of his proposals extends from European conscription to details in weapons technology; his critique of the defense concept prevailing has an equally broad sweep.

Concluding Remark

This concludes our first article. The idea was to present basic features of alternate defense concepts.

This is not meant to substitute for a study of the original contributions. Our coherent presentation ought to be a signpost greatly helping in the endeavor.

FOOTNOTES

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2. McGeorge Bundy, Kennan, McNamara and Smith, "Nuclear Weapons and the Atlantic Alliance," EUROPA-ARCHIV, No 7, 1982, pp 183-198.

3. The social defense concept has been proposed in the FRG particularly in several publications by Theodor Ebert. Our references here are to Th. Ebert, "From Aggressive Threat to Defensive Warning--The Concept of Social Defense," D. Senghaas, ed., "Friedensforschung und Gesellschaftskritik" (Peace Research and the Critique of Society), Munich, 1970, pp 179-211.
4. Ibid., p 191.
5. Ibid.
6. Ibid. pp 191 ff.
7. Ibid., p 185.
8. Ibid., p 197.
9. Ibid., p 198.
10. Ibid.
11. Ibid., p 209.
12. Ibid., p 202.
13. F. Uhle-Wettler, "Gefechtsfeld Mitteleuropa, Gefahr der Uebertechnisierung von Streitkraefte," Munich, 1980.
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15. E. Spannocchi, "Defense Without Self-destruction," "Verteidigung ohne Schlacht" (Defense Without Battle), Munich/Vienna, 1976, p 76.
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17. Ibid., p 42.
18. Ibid., p 89.
19. Ibid., p 63.
20. Ibid., pp 80 f.
21. G. Brossollet, "The End of Battle, an Assay of the 'Non-Battle,'" "Verteidigung ohne Schlacht," op. cit., pp 92-224.
22. Ibid., p 101.
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26. Ibid.
27. H. Afheldt, "Verteidigung und Frieden. Politik mit militaerischen Mitteln" (Defense and Peace--Politics with Military Means), Munich-Vienna, 1977; "Peace Policy with Military Means in the 1990's," K.-D. Schwarz, ed., "Sicherheitspolitik" (Security Policy), Bad Honnef, 1976, pp 639-656.
28. H. Afheldt, "Peace Policy . . .," op. cit., p 651; "Verteidigung . . .," op. cit., pp 64 ff.
29. H. Afheldt, "Peace Policy . . .," op. cit., p 647.
30. This reference is to Loser, "Weder rot noch tot. Ueberleben ohne Atomkrieg--eine sicherheitspolitische Alternative" (Neither Red nor Dead. Survival without Nuclear War--A Security Policy Alternative), Munich, 1981.
31. Ibid., p 67.
32. Ibid., p 15.
33. Ibid., p 176.

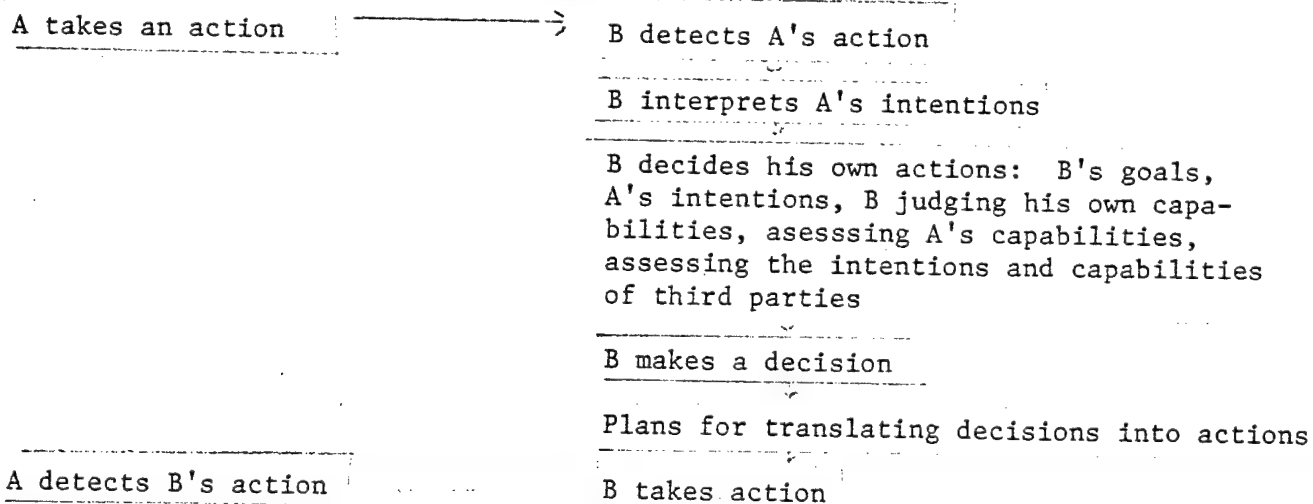
Security Policy, Strategic Vantage

Bonn TRUPPENPRAXIS in German Oct 82, 33 pp (draft)

[Article by command staff advisor Lt Col Heinz Loquai, who points out that an operational assessment of territorial and forward defense will be forthcoming in No 11 of TRUPPENPRAXIS]

[Text] I. The Specific Nature of Security Policy and Strategic Statements

Security policy and strategic statements often are based on prognoses on the outcome of political and military decision-making processes. How intricate the sequences in the thoughts and actions of such processes may be can be shown simply by the following design:



As the sketch makes clear, security policy and strategic decision depend on the subjective apperception of specific information. Lack of information, distortion of information and dysinformation occur here as they do in other decision-making processes.¹ Such decisions, moreover, are normally made by several bodies on various levels. In crises, important decisions are bound to be subject to enormous time pressure. And conduct under stress conditions follows its own, largely still unexplored, laws.

Mindful of all that, one will have to be especially cautious in the prognosis for security policy and strategic decisions. Humility therefore also is called for in assessing the effectiveness of defense concepts.² C. F. Weizsaecker says in this connection: "Anyone claiming for sure he knows how to avert the catastrophe becomes as incredible as someone else who claims for sure that the catastrophe is unavoidable. We have to act without knowing the consequences beforehand."³

In assessing alternate defense concepts and the one that counts, it is important to remember:

- Statements on potential security policy and strategic decision are prognoses on the course and outcome of political and psychological decision-making processes affecting one another. Military power potentials and capabilities arising from them are one factor, but not necessarily the crucial one, in this calculation. The psychological dimension of strategy is of an importance not to be underrated in the analysis of domestic and foreign policy effects.⁴
- Defense concepts have to be judged with respect to their basic assumptions on security policy and strategic decision-making processes. Objective truth can here not be the criterion for judgment, but rather the degree of plausibility or of the likelihood that something will happen.

II. Principle in the assessment of alternate concepts--On procedure

Wishing to assess alternate defense concepts, one has to do this with respect to a certain frame of reference. It is to be defined with regard of the purpose pursued.

This article does not intend to contrast the advantages and disadvantages of alternate defense conceptions with each other as a sort of balance-sheet. That has been done elsewhere.⁵ Rather, the attempt is going to be made to find out whether and to what extent the concepts already presented (in the previous article above) are indeed, from the security policy and strategic vantage point, alternatives for the prevailing FRG defense concept. That conception therefore has to be the frame of reference in our assessment. The number of criteria cannot but be limited.

Criteria for this assessment are:

- Security policy premises (structural principles of foreign and domestic policy, membership in the NATO alliance, parliamentary democracy and pluralistic society);
- security policy objectives (preventing war, detente, social security); and
- military-strategic principles (flexible reaction, forward defense).

The present assessment is structured as follows:

--First, one judgment criterion at a time is described and interpreted. This gives rise to particular judgmental points of view.⁶

--An inference combines the most important points of views on the assessment of alternate defense concepts.

--Then the defense concepts are judged on the degree to which they can actually be accepted as alternatives for the prevailing defense concept of the FRG.

First criterion: membership in the NATO alliance
Interpretation

The FRG pursues its security policy goals within the framework of the NATO alliance. Joint political objectives and principles, a joint military-strategic concept and military integration make up the backbone for this framework.

On the one side, the FRG profits from the military power and political strength of this alliance; on the other side, the enforcing of national interests is confined by the interests of other states in the alliance. Concretely this means: German concepts can be introduced into NATO's planning processes in the appropriate bodies, particularly the Defense Planning Commission (DPC), the Nuclear Planning Group (NPG) or the Military Committee (MC), and proposed there. The extent to which they can be enforced is up to the joint decision made by all states.

The democratic principle of compromise is a natural result of this. Solidarity among the sovereign nations in the alliance rates as overriding goal because this solidarity is of great political importance--even in its effect on states outside the alliance.

Defense within the framework of the NATO alliance grants the FRG
--support and protection by the alliance partners, especially the United States, but also by the other states involved in the military defense on FRG territory.
--influence on the security policy of other NATO states--even on the United States as the strongest nation in the alliance--by means of consultations within the alliance.

The solidarity required for preserving the alliance also requires that the FRG assists its NATO partners. This includes particularly an adequate participation in the financial burdens for the common defense and in the risks of the jointly supported strategy.

Inference: Alternate defense concepts have to be examined in terms of whether and to what extent they adapt national defense to the framework of the NATO alliance. The questions to be asked are what expectations of the alliance partners are being made, if and how national ideas can be enforced within the framework of the alliance, and what political effects the attempt at enforcing them might have on the alliance.

Judgment: Social defense probably is conceivable only as a national concept. Enforcing it would have to lead to the FRG's quitting the NATO alliance.

Yet the overwhelming majority of the FRG population in principle affirms the military defense within the NATO alliance.⁷ The social defense ideas therefore are likely to cause but a slight resonance in the population.

The other concepts to be assessed presently do not in principle place the FRG's membership in the NATO alliance in doubt. In that sense then they are not alternate concepts. Yet those concepts do suggest questions and hesitations about its concrete integration in the alliance. That holds true in particular for the following aspects:

--Taking Afheldt's ideas all the way to their conclusion, only German armed forces should then handle the conventional defense in the FRG. Of the United States he expects it will provide a nuclear threat potential that is to be deployed outside of Central Europe. The question to be asked here is whether it is politically realistic to expect of the United States it will bear the main burden of the nuclear risk, and whether it would be in the interest of the FRG to detach itself in fact, this way, from the nuclear influence processes. In any event, Afheldt's concept would eventually loosen up the NATO alliance in its structures and consequently slide into a gradual erosion process.

--Loser's ideas are as ambitious as they are obscure. He thinks of a "European sovereignty" (p 74),⁸ a "reintegration of France in a military respect" (p 75), a "European conscription" (p 181), "joint European armed forces" (p 181). Europe he assigns an impartial "role of a broker" (p 74) between West and East. There is to be an "equity of partnership" between the United States and Europe (p 19), and the United States and Canada are to become merely "associate partners of the European troop alliance" (p 180). Loser himself calls his ideas utopian (p 19). There is good reason to assume that in pursuing such a utopia, the alliance would fall apart. The vague hope for some new field of power arising from it, whatever that may be, is too slight to credit Loser's ideas about it as being of political quality.

--As to Uhle-Wettler's concept, it appears dubious that his light infantry formations can be incorporated with integrated NATO defense in its current form, especially with the cohesive forward defense. His ideas would have to be accepted as well as implemented by the allies. There also are certain operations problems of this sort in Birnstiel's concept.

In sum it may be stated: Afheldt's, Loser's and Uhle-Wettler's concepts do not offer in their political orientation an alternative for the basic integration within the NATO alliance. Were they to be implemented, it could lead to developments which would first soften up integration in specific areas and eventually threaten the whole structure of the alliance. Then these ideas, through their ramifications, could become an alternative for the prevailing defense concept of the FRG.

Second criterion: Parliamentary democracy and pluralistic society
Interpretation

Fundamental structural elements of the FRG society include the system of parliamentary democracy and a pluralistic social order based on the principles of

law and personal freedom. These principles also contain the freedom to develop ideas about the need and type of defense deviating from official policy, advocate such views in public, and refuse a personal defense contribution as demanded by the political leadership on constitutional grounds.

Social conflict in these fundamental matters also is an essential element of our pluralistic and libertarian order.

Inference: In judging alternate defense concepts one must examine the premises from which those concepts evolve and which social structures the implementation of these concepts might give rise to.

Judgment: Concepts proposing a defense by military armed forces (Afheldt, Loser, Uhle-Wettler, Birnstiel) evidently are no alternatives for the social premise defined above. The social defense concept does, however, in principle presuppose a homogenized society or eventually leads to one. This may be explained as follows:

Social defense can actually be effective only if accepted and carried through by all members of society. This means that social defense demands of all identical views on the need for defense and its basic procedure. Such a harmony of awareness and conduct is not likely to evolve by itself in our society. There would have to be a dictatorship of some sort of an elite. Once such social consensus is attained, the society would have to be screened off from the outside to insulate it from interference factors. Another possibility would be--if an open political system is to be preserved--to absorb external influences through a constant consciousness formation process that would make them conform with the system.

A society defending itself on the principles of a social defense should then have to live in a permanent training process for its defense and would then feel as a whole under a constant threat. Otherwise it could be felt to be senseless to place all citizens permanently under the obligation to practice the techniques of social defense. As one refers to militarism as a social mentality, in this context one could then also talk of an overall social militarism.

This then is what we find: The social defense concept proceeds from an image of society that differs from that in our prevailing concept, or it is bound to lead to structural principles that are incompatible with our social order.⁹ The social defense concept thus, as far as the constitution of society is concerned, is the only alternative to the prevailing concept for the defense of the FRG.¹⁰

Third criterion: Preventing war through deterrence
Interpretation

"The supreme purpose of the alliance is to achieve a just and permanent order of peace in Europe with suitable security guarantees."¹¹

For this purpose, the NATO alliance has to fulfil two chief functions:

--"Maintaining adequate military and political solidarity to deter aggression and other forms of pressure and defend the domain of the member states if there is aggression."

--"Continued search for advances toward permanent relations by which fundamental political issues can be settled."⁴

These principles of the so-called Harmel Report, which summarizes the security policy principles of the alliance, continue to be recognized and supported by the FRG. The states of the alliance reiterated their commitment to them at the Bonn NATO summit this year.¹³ To avoid any kind of war is a priority objective of the alliance. Deterrence of a potential aggressor is how. Deterrence means stopping someone else do to something by convincing him that the disadvantages he would have to accept would outweigh the expected advantages.

Deterrence thus appeals to cost/benefit considerations by a contracting party. Both costs and benefits are quantities of expectation, i.e. subjective prognoses for the rational overall judgment. Deterrence takes place in the minds of those who are to be deterred and those who deter.¹⁴ This turns deterrence into a political-psychological process.

NATO wants to deter a potential aggressor, stop his aggression. This is a defensive deterrence concept.¹⁵

The ability to deter an aggression depends not solely on perceptible military capabilities and the possible military options. Crucial are the military and political risk considerations by the one who is to be deterred.

Such considerations are likely to be greatly influenced by
--the magnitude of the military and political damage expected and
--the credibility of the threat of damage.

A political leadership acting rationally and, hence, in awareness of the risk, also is deterred if the credibility of the threatened action is relatively low yet the threatened damage appears unacceptably great. Which is to say: as long as there is the least likelihood that such damage will be caused, deterrence may succeed. The threatened magnitude of damage thus is the crucial factor in a rational deterrence calculation, as long as some likelihood that the damage may occur can be assumed.

For the NATO strategy aimed at defensive deterrence this means:

A potential aggressor must have the subjective certainty that in case he attacks he will be threatened with damage that is not acceptable. Which means his risk has to be "calculable."¹⁶ Not calculable, however, should be the ways and means in which he may suffer damage (i.e. the when and where and how and the means of which). Otherwise it would be conceivable that a potential aggressor focuses on that and believes to be able to limit the damage to a tolerable extent or even prevent it.

In gross oversimplification one often differentiates between deterrence (war prevention) and warfare strategies. Warfare strategies mainly design concepts for action in case deterrence fails. Deterrence strategies in particular seek to find answers for the question of how a war can most effectively be prevented. Deterrence and warfare capability are of course linked together in the deterrence calculation. The difference merely amounts to where the emphasis is placed.

Still, that conceptual differentiation makes sense even so. Because deterrence is to a much larger measure affected by political-psychological processes and acts than by a warfare strategy conditioned by operational planning and strength potentials. It is to be assumed that an unequivocally established warfare strategy makes strategic-operational action appear more calculable. If a potential aggressor believes his doctrine and the structure and equipment of his armed forces can be optimized with regard to a defense strategy that is known to him, the risk he takes may seem to him to be tolerable. And that could reduce the deterrent effect of a defense strategy.

Inference: Alternate defense concepts have to be judged as to whether they are primarily deterrence or warfare strategies. One must examine the function of deterrence, how it is to be brought about and on which assumptions the expected deterrent effect is based.

Judgment: In judging the alternate concepts presented under these aspects, the following may be stated:

--The social defense concept explicitly wants to be through its "warning effect" not a "functional surrogate" for military deterrence but wants to replace "the international system of threat with reciprocal deterrence."¹⁷ It is doubtful that the strategy and tactics of social defense can, on the basis of today's thinking in terms of power politics, stop a potential aggressor from attacking.

--Afheldt wants to prevent war through deterrence. To him, "deterrence itself depends on the feasibility of the threatened options."¹⁸ The connected links are "Consequences of the threatened action for the threatening party--Credibility of the threatened action--Deterrence." They are closely linked in Afheldt's concept. That is not compelling if one accepts that the crucial factor of deterrence is the magnitude of the threatened damage. Furthermore one should have to ask whether Afheldt's conventional defense concept, which also may be considered a "warfare strategy," and its potential defense options would not merely have a relatively slight deterrent effect. All this conventional defense, mind you, would take place on the territory of the defending party. A potential aggressor might think the damage with which he has been threatened is relatively slight. He may accept his risk as limited and controllable.

--Loser says "deterrence means defense capability" and "only if one can stand up to an aggressor through feasibly effective defense, can one deter a war."¹⁹ This view only brings into relief the objective capabilities but neglects the political-psychological dimensions of deterrence, i.e. placing the deterrent

effect inside the perception of the one to be deterred. For the rest, the same doubts can in principle be registered as in the case of Afheldt's concept.

--The efficiency-oriented models (Uhle-Wettler, Birnstiel) do not question NATO's deterrence doctrine, so that their implementation is not likely to lead to any deterrence-reducing effect.

Altogether this may be stated: Social defense is alternative to NATO's prevailing deterrence concept. The other alternate concepts dealt with here want to prevent war by means of deterrence. Afheldt's and Loser's concepts are conditionally alternative to the prevailing concept. They doubt the credibility of deterrence in that concept and its effect in preventing war. Both concepts are rather warfare strategies in the sense discussed above. By making war in Central Europe appear containable and feasible with chances of success, they might lower the psychological threshold to war.²⁰ But that would ultimately jeopardize the goal the alternate concepts also pursue: preventing of all war. The respite nuclear deterrence might grant us²¹ for seeking political solutions could be curtailed dramatically.

Fourth criterion: Securing peace through detente
Interpretation

In accordance with the Harmel Report, defense capability and detente have often been referred to as the two pillars of the FRG's security policy.²² The efforts at detente, along with other attempts at harmonizing interests, are reflected in the policy that seeks disarmament and arms control. The aims of this policy are

--in foreign policy, creating a climate of mutual trust and understanding which will make possible settling peacefully the opposing interests between countries with differing social systems and the power blocks,
--in defense policy, reduce the danger of war in principle and the danger of surprise attack, and stabilizing a "military power balance through reduction in armed forces," and
--economically, limiting the arms race and thereby "reducing the scope, cost and burdens of the arms race."²⁴

Arms control is an integral part of German security policy.²⁵ "Military security and the policy of detente is no contradiction but is reciprocally supplementary."²⁶

Defense capability thus is a basis for a policy of detente.

Inference: Alternate concepts should be judged in terms of what significance they attach to a policy of detente, of how they integrate detente policy within overall policy, and how they want to obtain the goals of this policy.

Judgment: The efficiency-oriented models (Uhle-Wettler, Birnstiel) deal with detente policy problems peripherally, at best.

Social defense and the political-strategic models (Afheldt, Loser) for alternate defense concepts make the claim they serve the goals of a detente policy much more than the policy up to now has been able to do. Alternative to the current

defense concept these models are indeed, if in unequal measure:

--They consider a security policy wishing to achieve detente on the basis of a military equilibrium a faulty design that heats up the arms race; and
--they expect detente and the safeguarding of peace from unilateral measures that would either renounce arms entirely (social defense) or aim at confining them to exclusively defensive armaments and armed forces structures (Afheldt, Loser).

It should be indisputable that this social defense concept, i.e. unilateral total disarmament, also could lead to a qualitative and quantitative reduction of armaments on the part of the potential opponent. The extent to which this could be the case, however, also depends on the role the armed forces play in domestic politics. The more the armed forces are needed to stabilize power within, the less their strength is affected by threat from without. Also the implementation of Afheldt's and Loser's concepts could cause the tendency of arms reduction. Through a unilateral confinement to purely defensive potentials, the arms spiral might be turned back. But that does not have to be so. Doubtful is in particular whether by some sort of imitation--as Afheldt and Loser evidently expect--the Soviet Union would likewise go into a defensive structure.²⁷ As long as there the offensive idea predominates military thinking, one might rather assume that the prevailing offensive concept be optimized with regard to NATO's defensive concept. The following maxims make that assumption reasonable: "Offensive operations will continue to be the chief means for settling combat tasks on battlegrounds in a future war." And: "The warring parties will try to achieve their goals mainly by means of attack. If even in the last war the defense was not able to stand up to attack, in a future war the attack will outweigh the defense still much more."²⁸

So one has to ask here also whether in the current world situation and in view of political modes of thinking and action unilateral disarmament would actually make peace safer or, rather, bring about developments that would jeopardize the non-war, especially for us Europeans.

In view of the continuing arms race one might be tempted to say that arms control policy has failed. The rapidly turning arms spiral and the immense armaments expenditures make the demand for new political approaches understandable. Yet the doubts raised against radical unilateral measures also may be morally sound and politically justified.

The statement, "politics means heavy and slow drilling of hard boards with passion and vision at one," applies particularly to the defense policy, where rational calculation clashes with emotions.²⁹

Fifth criterion: Socioeconomic security
Interpretation

Security should be understood as a comprehensive concept. Then military security becomes only part of it. The goal of socioeconomic security would stand next to it and be of equal rank, even in its security policy and strategic meaning.³⁰ Both goals are in competition, as far as the use of government funds is concerned. That competition grows when--as today--economic growth is down, and government revenue with it, and budget expenditures increase in excessive proportions.

In such a situation the decision that has to be made may, in simplifying somewhat, ultimately come down to the two alternatives of arms expenditures or social expenditures.

Inference: Alternate defense concepts have to be judged in terms of whether they take account of the scarcity of resources and so also in their implementation take account of the goal of socioeconomic security.

Judgment: The first thing to say is that excessive price increases for arms, a meager economic growth and the dwindling of the basis for Bundeswehr recruits starting in the middle of this decade are setting close boundaries for armaments planning and the armed forces structure. Carrying on with the structures and system planning of the past could then only be possible by boosting the defense expenditures in the federal budget. In order not to jeopardize the goal of socioeconomic security, one should have to make certain revisions in armed forces planning as is. About the alternate concepts in this connection one has to say: --Social defense at the first glance is very cheap because nothing has to be spent on weapons systems. Even so, this concept could not be implemented without burdening the citizen because all, in preparing social defense, would have to contribute at least time and labor. For the "case of emergency," i.e. once one has to go into social defense after some aggression, the political and material burdens an occupying power--especially a totalitarian one--imposes on the population can, in type and duration, not even be roughly guessed at.

--Afheldt's model would suggest smaller expenditures on the long run, even though one should in principle be most cautious in estimating the costs of purely defensive weapons systems.

--Loser contradicts himself. On the one hand he gives the impression that his concept could be brought to realization within the prevailing scope of personnel and costs,³¹ then he suggests his concept offers a solution for the Bundeswehr personnel problem beginning in the mid-1980's,³² and finally he thinks the German population would understand "that more protection is obtainable only through additional sacrifices."³³ Actually the implementation of Loser's concept would lead to higher defense expenditures.³⁴

--Uhle-Wettler's and Birnstiel's concepts require more personnel than the prevailing concept does and probably also higher overall costs.³⁵

All the finances needed for alternate concepts are hard to compute. Especially with regard to that, the concepts are not concrete enough.

Sixth criterion: Flexible reaction
Interpretation

The military-strategic principle of flexible reaction governs NATO's basic response to aggression and determines the general modes of reaction. In principle, the alliance is going to respond at an adequate measure in terms of place, time and means. The possible modes of a reaction are:

--Direct defense, the attempt to turn down an aggression on the level chosen by the aggressor,³⁶

--premeditated escalation, which is meant to turn back an attack by modifying the defense struggle in quality and exposing the attacker to a higher risk. Escalation comes from decisions to be determined politically, i.e. the alliance increases the means used (vertical escalation) or expands the conflict spatially (horizontal escalation), or

--general nuclear reaction, which is aimed above all against the attacker's strategic potential. The strategic nuclear weapons of the alliance are used. Threatening this reaction is the strongest deterrence, its use the strongest reaction.³⁷ By having a survivable second strike capacity ready by which the alliance can respond with a destructive blow even after a massive nuclear attack, the attacker is to lose any chance to attain his goals with a risk acceptable to him.

In the flexible reaction strategy nuclear arms play a decisive role. The most important principles for their function within NATO strategy may be summarized as follows:

- (1) Primarily, nuclear weapons have a political purpose. They are meant to prevent war through the threat of being used (deterrence). If that fails, a conflict that has broken out is to be terminated as fast as possible through threatening or carrying out a politically controlled selective use. As political weapons, nuclear weapons mainly have the purpose to affect the enemy's political intentions.
- (2) All members of the alliance are to bear jointly the risks in the employment of nuclear weapons. This readiness to share the risk is an important political signal for the credibility of the solidarity in the alliance and of the deterrence.
- (3) Nuclear capacities are meant to open up a multiplicity of political action possibilities. Their possible use is meant to be unpredictable.
- (4) NATO's power potential--conventional forces, nuclear short and medium-range systems and strategic ICBM's (the so-called NATO Triad)--forms a close escalation chain which is meant to demonstrate the risk of escalation to any potential aggressor and deter him thereby from any war.
- (5) The first nuclear strike, possibly even its concrete threat, alters the quality of a war. Such a step is of crucial significance, less through the military results achieved than by the way it changes, mainly through its political and psychological effects, the whole mode of thinking and action. New conditions for action, in quality, are created thereby.
- (6) A selective nuclear first strike by the alliance against purely conventional attacks is not precluded. Its being limited should be clearly recognized by the enemy. It also has to make aware of the risk of further escalation. Thereby it is meant to induce the aggressor to stop his aggression and draw back to from where he came.

The transition in NATO strategy from massive retribution to flexible reaction in the 1960's mainly marks a change in the importance of conventional armed forces and the nuclear potential in the defense concept of the NATO alliance.

In the flexible reaction strategy, the conventional forces are no longer to be merely a trip wire for the aggressor that ignites the nuclear reaction. Rather, they are to be able to withstand a conventional attack immediately and so provide the political leadership for leeway for further political decisions.

Inference: Alternate concepts have to be judged in terms of the extent to which they allow flexible political action commensurate with the given situation. One has to explore especially what the role of nuclear potentials is and what the assumptions are on the basis of which they are expected to fulfil their function.

Not last, one has to examine whether alternate strategies in this key issue are indeed alternate in concept or only due to a misinterpretation of the prevailing NATO strategy.

Judgment: Here we can confine ourselves to the concepts of Afheldt and Loser because the efficiency-oriented models (Uhle-Wettler, Birnstiel) do not pretend to be alternatives for the prevailing strategy and the social defense concept precludes weapons as means of defense altogether.

--In the case of Afheldt one notes at once that he deals in detail with the function of nuclear weapons in general and within the NATO strategy. But the concrete ideas on the employment of nuclear weapons are most scanty in his concept. Afheldt does not in principle preclude a first nuclear strike because his conventional defense may only gain time--for the politically focused use of the U.S. nuclear potential. Here again arises the question of the credibility and the presumed effect on the one so threatened. In this connection one mainly has to ask:

--Is the first nuclear strike by the defender against the aggressor's territory actually more credible if, as is part and parcel of Afheldt's concept, the aggressor has already occupied the territory of the defender?

--Are the chances of success through political threat by means of nuclear weapons in Afheldt's concept based on plausible assumptions? (Threat against Soviet rule through limited preannounced nuclear strikes against the economic structure of East European, but not Soviet, regions.)

In his critique of the NATO strategy, Afheldt turns credibility into a critical criterion. But ultimately even he finds himself confronted with the dilemma either to have to escalate in nuclear weapons or to have to capitulate. Also to him, a selective and clearly delineated use of nuclear weapons is a political signal sent to the aggressor. As far as that goes, Afheldt does not differ from the prevailing NATO doctrine. Only in his concept the signal is given in a situation and in a manner that make the threat appear no more credible than in the prevailing NATO strategy. One may even assume the contrary to be the case.

--In Loser's critique, some points about NATO strategy obviously are due to misunderstanding or misinterpretation of the role of nuclear weapons in that concept. E.g., he alleges that the defense of NATO "depends exclusively on nuclear weapons,"³⁸ or that the use of nuclear weapons is envisaged as tactical-operational relief.³⁹ That does not conform to the prevailing concept, as was shown above. Most obscure are Loser's notions with regard to the following aspects:

On the one side, he wants to keep nuclear weapons available against attempts at nuclear blackmail and for deterring the enemy from using them,⁴⁰ and on the other side, nuclear weapons, according to him, evidently have the function of a deus ex machina to terminate a war after the aggressor has used nuclear weapons against the NATO armed forces.⁴¹ On the one side, the United States is to provide the nuclear umbrella as protection from nuclear blackmail,⁴² and on the other side he calls for a joint nuclear arms arsenal of the alliance.⁴³

Eventually, the evident dilemma in the scenario designed by Loser becomes obvious: Loser finds the NATO alliance under the compulsion to use 700 tactical nuclear warheads 8 or 10 days after the outbreak of war, in accordance with the current defense concept, to relieve heavily embattled formations on a broad front. Out of that comes the nuclear holocaust.⁴⁴ In following Loser's concept, the aggressor, also 8 or 10 days after the outbreak of war, now uses 800 medium-range nuclear missiles together with chemical weapons as his final means for still breaking through the forward defense of the NATO alliance. "Significant military targets of the alliance are hit without, however, making the defense collapse."⁴⁵ NATO's reaction: "By high-altitude explosion of nuclear warheads, the NATO alliance employs the 'NEMP effect,' which disturbs all electronic devices of both the aggressor and the defender."⁴⁶ Thereby then, the nuclear holocaust evidently is averted.

This means: in Loser's concept, nuclear weapons evidently cannot play the role assigned to them. For the aggressor does use nuclear weapons in his scenario for the conflict, he does not let himself be deterred from doing so. But that presumably is the sole function of nuclear weapons, according to Loser. For the defense, in Loser's concept, it does not come down to a nuclear holocaust simply because he appears to apply twofold measures in his effect analysis.

Altogether it may be stated: The security-policy strategic models criticize the function of nuclear weapons and the principles for their employment in NATO strategy.⁴⁷ For that above all they offer themselves as an alternative. Loser's concept cannot be regarded als a convincing alternative in this regard, even due to its inherent contradictions. Afheldt's model offers no plausible solution for the basic dilemma engendered by the very existence of nuclear weapons. It is a dilemma that is likely to be with us as long as those weapons exist and man has not yet found a new type of politics by modifying his "ethical-political status."⁴⁸

Seventh criterion: Forward defense Interpretation

The forward defense principle is one of the basic principles of NATO strategy. Together with the flexible reaction principle it governs the orientation of that strategy: the strategic defensive. For such a defensive concept to be politically credible, the doctrine, the armed forces structure and the type of equipment must be such as to be optimized with respect to the strategic defensive. Which does of course not mean the armed forces could not also be prepared for tactical offensives, which are limited in place and time, to be able to regain, e.g., lost territory.

In their doctrine, structure and strength, NATO armed forces are oriented to the strategic defensive, the conventional as well as the nuclear forces. The basic defensive orientation has far-reaching strategic and operations implications, for the defender deliberately submits to the disadvantage any defensive strategy has: The aggressor determines the first step in strategic action, at least at the start of the conflict he holds the initiative. This lead time on the part of the aggressor plays all the more of a role, the less space the defender has available for his defensive operations. And that applies particularly to the FRG. It shares a long border with a potential enemy, but its territorial width is narrow.

This geo-strategic situation induced the FRG's interest in a defense shared by the alliance which would bar an aggressor from its territory and sacrifice as little of its territory during the conflict. According to the current concept, as many as six nations participate in the forward defense on FRG territory when a conflict breaks out. An attack on that territory thus is bound to attack other countries' armed forces, which imposes the need for a reaction on the NATO alliance.

Forward defense, for one thing, is a strategic-operational task for the armed forces. This aspect will still be dealt with in greater detail.⁴⁹ On the other hand, it also reveals a political principle of the alliance: a solidarity of all the nations in the NATO alliance, intent on deterrence, demonstrated to the outside, and clearly perceptible to the indigenous population, in sharing in the defense of the integrity of those nations that become exposed to a direct attack. This political factor in forward defense is more important than operation organization is in its deterrent and war-preventing effect.

Inference: Alternate concepts have to be judged in terms of how the armed forces, in their doctrine, equipment and structure, conform with the principle of the strategic defensive. One also has to ask to what extent they conform with the principle of forward defense as a political-strategic maxim.

Judgment: The alternate concepts dealt with here aim at a still stronger defensive orientation than does the prevailing defense concept. That is especially true of the social defense and Afheldt's concept. Whereas Afheldt does not care about tactical offensive capabilities, the other military defense concepts (Loser, Uhle-Wettler, Birnstiel) do envisage such capabilities. These concepts thus present alternate defense concepts to varying degrees as they call for a still more defensive orientation, mainly with regard to military equipment, and substantiate this by attributing a higher efficiency to the political-strategic end. The catchphrase: "Modern technology favors the defense!"⁵⁰

As to the spatial orientation for the defense, this is the case: Social defense and Afheldt's concept in anticipation turn the whole territory over to defense operations. Afheldt exempts population centers; for the social defense they are the actual operations area. Both concepts are thus alternative to a forward defense. This applies less to Loser's space-protecting defense and also less to Uhle-Wettler's concept.

Those who advocate social defense do not accept, and Afheldt evidently regards as hardly relevant, that forward defense primarily is a political-strategic principle.

(A more detailed presentation and judgment of forward defense and territorial defense from an operations point of view will follow in the next contribution).

III. Concluding Remark

The limited purpose of this exploration has been to ascertain to what extent alternate defense concepts are indeed alternate, i.e., deviate from the prevailing concept in terms of conceptual assumptions and probable effects.

In summary it may be said: The FRG's prevailing defense concept and the alternate concepts examined here share one goal: preventing war as the necessary prerequisite for permanent peace, the "vital condition for our technical age."⁵¹ On how this is to be accomplished, the views differ.

As shown, the concepts selected, in terms of the criteria used, are in varying degrees alternative to the current defense concept of the FRG.

However, these alternate concepts offer no persuasive solutions for the very key problem they define. The sociopolitical model of social defense, with a strong base in the peace movement, tends in its practical implementation toward a homogenized defense society. The concepts that stem from doubts about the rationality and efficacy of the NATO doctrine (Afheldt and Loser) neither provide any convincing theoretical solution for the key problem they define, the function of nuclear weapons in strategy, nor are the assumptions about the effects of their concepts plausible. The efficiency-oriented models would call for a heightened intermediate defense model especially at a time of increasing resource scarcity and thereby jeopardize the goal of socioeconomic security.

Does this mean these concepts have nothing to offer that could help solve current and future defense problems?

Affirming that question would miss the outcome of the judgments here submitted. Nor would it do justice to the concern and richness of ideas in alternate concepts. Much more definitely than their interpreters and political users, most authors point out that their concepts are no patent recipes for resolving burning problems on the short run. They rather want to induce long-range thinking in certain directions. Understood that way, they should not only be subject to public security policy debate but could also become an intellectual catalyst within those bodies that prepare and make security policy and strategic decisions.

FOOTNOTES

1. Cf., inter alia, E. Witte, "Das Informationsverhalten in Entscheidungsprozessen" (Dealing With Information in Decision-Making Processes), Tübingen, 1972; W. Kirsch, "Einführung in die Theorie der Entscheidungsprozesse" (Introduction to the Theory on Decision-Making Processes), Wiesbaden, 1972.

2. Operations research studies can lend some aid to judgments but can provide no positive proofs that a concept is correct. (cf. R. K. Huber, "Systems Analysis in Defense Planning--A Critique and a Proposal from the Vantage Point of Systems Analysis," WEHRWISSENSCHAFTLICHE RUNDSCHAU, No 5, 1980, pp 133 ff; R. K. Huber, K. Steiger and B. Wobith, "On an Analytical Model for Exploring the Combat Effectiveness of Army Structures," WEHRWISSENSCHAFTLICHE RUNDSCHAU, No 1, 1981, pp 1 ff.
3. C. F. Weizsaecker, "Living With the Bomb," "Der bedrohte Friede, Politische Aufsätze 1945-1981" (Peace Under Threat--Political Essays 1945-1981), Munich/Vienna, 1982, p 64.
4. Cf. Michael Howard, "The Forgotten Dimension of Strategy," FOREIGN AFFAIRS, Vol 57, No 5, pp 975 dd.
5. BMVg [FRG Military Administration] Information- und Pressestab, "Hinweise fuer die Oeffentlichkeitsarbeit" (Recommendations for Publicity), No 2, 1982, pp 52 ff.
6. These points were gathered from generally accessible publications, especially from the White Papers (BMVg, "Zur Sicherheit der Bundesrepublik Deutschland und zur Entwicklung der Bundeswehr" [On FRG Security and the Development of the Bundeswehr], Bonn, various volumes).
7. An Emmid poll for a representative cross section of the FRG population in the fall of 1981 included the following question: "The matter of the alliance is under frequent debate in the FRG. What do you think: Do you think it better to quit NATO?" The answers: Remain in NATO 92 percent; quit NATO 5 percent.
8. Page indications refer to J. Loser, "Weder rot noch tot," op. cit. [cf. bibliography of part 1, p 10 this translation].
9. "It [social defense] is no life insurance and is nothing for cowards and utopians, as military dogmatists among the critics of pacifism are wont to insinuate, nor is it likely to mean anything to pluralistically conditioned persons." (B. C. Hesslein, "Tanks instead of Pacifism?" F. Duve, H. Boell and K. Staeck, eds., "Zuviel Pazifismus?" [Too Much Pacifism?], Reinbeck near Hamburg, 1981, p 155).
10. In Loser one finds at least indications of certain societal, overall social defense ideas, evidently based on the image of a harmonized, conflict-free society.
11. NATO Information Department, "NATO Facts and Documents," Brussels, 1978. p 377.
12. Ibid., p 376.
13. Cf. Presse- und Informationsamt der Bundesregierung, BULLETIN, No 58, 15 June 1982, pp 493 ff.

14. On deterrence theory, cf. K.-D. Schwarz and W. R. van Cleave, "Deterrence Theory, K.-D. Schwarz, ed., "Sicherheitspolitik" (Security Policy), Bad Honnef, 1978, pp 131 ff.
15. In principle, of course, an aggressor also can deter a defender from defending himself if he can make him believe such a defense is senseless.
16. "An uncalculable risk for the aggressor may also bring about a reduction of Western security. The threat of an uncalculable risk may deter and thus improve security, but it can also lead to miscalculations and underestimates on the part of the potential aggressor and so reduce security." (E. Fondran, "Is Arms Control Still Relevant?--Arms Control as Instrument of Security Policy." E. Fondran and P. J. Friedrich, eds., "Ruestungsbeschraenkung und Sicherheit" [Arms Limitation and Security], Bonn, 1979, p 5).
17. T. Ebert, "From Aggressive Threat to Defensive Warning," D. Senghaas, ed., "Friedensforschung . . .," op. cit. [cf. p 9 this translation] p 202.
18. H. Afheldt, op. cit. [cf. footnote 27, part 1, p 10 this translation], p 642. Afheldt admits, however, that this thesis may be contested.
19. Loser, op. cit., p 151.
20. While, especially in the political field, there is talk today about the need to raise the nuclear threshold, one should also consider whether through such a raised threshold the psychological threshold against war might not be lowered, by which not only the risk of war increases but, through a greater likelihood that war breaks out, which is initially a conventional war but ultimately also increases the risk of nuclear war.
21. C. F. Weizsaecker, "Deterrence--Only a Breathing Spell?" DIE ZEIT, 20 March 1982.
22. Cf. p 15.
23. White Paper 1979, p 57, similarly White Paper 1970, pp 9-10 and White Paper 1973/74. p 4.
24. White Paper 1970, p 10.
25. Cf. H. Buehl, "On the Relation Between Defense Capability and Arms Control in Security Policy," EUROPAEISCHE WEHRKUNDE, No 11, 1981, pp 494 ff.
26. "NATO Facts and Documents," loc. cit., p 376.
27. Such an idea is subject to the same reproach Weizsaecker raised against a purely technicistic nuclear deterrence strategy. "World peace does not stabilize technically; it can only be stabilized politically" (C. F. Weizsaecker, "Deterrence . . .," loc. cit.).
28. W. D. Sokolowski, "Militaer-Strategie" (Military Strategy), Cologne, 1969, p 393.

29. M. Weber, "Politics as Profession," "Gesammelte Politische Schriften" (Collected Political Writings), Tuebingen, 1958, p 548.
30. On the basic problems with the security concept, cf. D. Frei and P. Gaupp, "The 'Security' Concept--Theoretical Aspects," K.-D. Schwarz, ed., "Sicherheitspolitik," loc. cit.
31. A. Loser, op. cit., p 175.
32. Ibid., p 190.
33. Ibid., p 147.
34. Cf. D. Farwick, "Neither Red Nor Dead? A Critique of the Book by Jochen Loser," EUROPÄISCHE WEHRKUNDE, No 5, 1982, p 213.
35. BMVg Informations- und Pressestab, Press Material VIII 13, 25 June 1980: In criticizing Uhle-Wettler's concept, the army inspector notes that light brigades strong in personnel would be more expensive than the mechanized ones.
36. Therefore it is wrong and erroneous to claim the strategy was "to strike back with nuclear arms at once against a conventional Soviet attack" DER STERN, No 17, 22 April 1982, interview with Robert McNamara.
37. White Paper 1979, p 123.
38. J. Loser, op. cit., p 15.
39. Ibid., p 41.
40. Ibid., p 176.
41. Ibid., p 205.
42. Ibid., p. 151.
43. Ibid., p 176.
44. Ibid., pp 41 f.
45. Ibid., p 205.
46. Ibid.
47. In this connection we may refer to the following worthwhile study: K.-Peter Stratmann, "NATO Strategy in a Crisis? Military Options for NATO and the Warsaw Pact in Central Europe," Baden-Baden, 1981.
48. K. Jaspers, "Die Atombombe und die Zukunft der Menschheit" (The Atom Bomb and the Future of Mankind), Munich, 1958.

49. Cf. TRUPPENPRAXIS, No 11, 1982.

50. H. Afheldt, "Peace Policy . . .," op. cit., [cf. footnote 27, part 1, p 10 this translation], p 645. Cf. also P. F. Walker, "Effective Defense Through Intelligent Defensive Weapons," "Spektrum der Wissenschaft," October 1981, pp 111 ff.

51. Heidelberg Theses on "War and Peace in the Nuclear Age," 1959; reprinted in BMVg, SCHRIFTENREIHE INNERE FUEHRUNG, No 2, 1982, pp 57 ff.

5885

CSO: 8020/1839

BRIEFS

ORAGE RETURNS TO BREST--The "Orage" [dock landing ship] returned to Brest on 22 September. On 10 July, it had hastily sailed from Brest to Toulon with orders to be prepared to take on troops being dispatched to Lebanon. But it remained on standby in the port for a long time before performing its mission, namely transporting the second echelon of the first French interposition force. An assault transport is highly suitable for such a task. The "Orage" performed it well. On the next to last day of its return trip, however, stormy waters off Cape Finisterre are reported to have upset the marine troops on board. [Excerpt] [Paris COLS BLEUS in French 9 Oct 82 p 22] 8041

CSO: 3519/56

DETAILS ON NEW AIRCRAFT CARRIER LAUNCHING

Paris LA NOUVELLE REVUE MARITIME in French Sep-Oct 82 pp 163-165

[Article: "Launching of 'Principe de Asturias' Aircraft Carrier"]

[Text] The hull of the aircraft carrier R-11 "Principe de Asturias" was launched on 22 May at the Empresa Nacional Bazan shipyard in El Ferrol. This hull was launched earlier than initially planned so as to free the shipway in which the first prefabricated sections of the frigate "Navarra" are to be assembled.

The "Principe de Asturias" has the following characteristics:

- a. Displacement: 15,000 tons full load.
- b. Dimensions (meters): 195.1 X 24.4 X 6.6.
- c. Propulsion systems: two General Electric LM2500 gas turbines delivering a total of 50,000 shaft horsepower (36,775 kw) to a single large-sized propeller; two auxiliary retractable propulsion units, each driven by an 800-horsepower (588 kw) electric motor.
- d. Electric power: 7,500 kilowatts (from three gas turbines, each generating 2,500 kilowatts).
- e. Maximum speed: 26 knots; range: 6,500 miles at 20 knots.
- f. Armament: four Meroka [gun] systems.
- g. Aircraft: six to eight Matadors and 12 or 14 helicopters depending on the type.
- h. Electronic equipment: one American-made [Westinghouse] SPS 55 surface-search radar, one American [Hughes] SPS 52B heightfinder radar, one VPS-2 fire control radar associated with each Meroka mount, active and passive electronic countermeasures systems, and one tactical data processing system.

Complement: 791 men: 1 admiral, the ship's captain, 94 officers, 153 petty officers, and 542 leading seamen and seamen.

After having long wavered between the proposed French conventionally-powered PA-75 aircraft carrier and the British "Invincible" class carrier, the Spanish Royal Navy finally decided to adopt the "Sea Control Ship" design in which Admiral Zumwalt had been keenly interested when he was U.S. Navy chief of naval operations. Designs for the "Principe de Asturias" are the work of Gibbs and Cox who had prepared them for the U.S. Navy. Spain bought them with the idea of possibly reselling them to other countries, or building a ship of this type for a foreign navy. Initially it was planned to name this carrier "Almirante Carrero Blanco" in honor of the assassinated chief of state. A subsequent change in plans called for naming it "Canarias" in memory of the heavy cruiser that had distinguished itself during the Civil War in the service of the Nationalists. The "Principe de Asturias" is expected to serve as the nucleus of a task group consisting of five "Balears" class frigates and one underway replenishment tanker.

The carrier's flight deck is 175 meters long and 30 meters wide. Its forward section is fitted with a ski-jump aircraft launcher having a 12-degree cant at end of parabola. The "Principe de Asturias" is the first carrier to have a parabolic ski jump that is entirely integrated into the ship's hull. The hangar deck is linked to the flight deck by two elevators, one on the starboard side immediately forward of the island, the other in the center line far abaft.

The Meroka gun-system mounts will be fitted in the island structure, two being superimposed in its aft section, the other two alongside and forward of the bridge. The Meroka system is reminiscent of the U.S. Navy Phalanx gun system. It consists of two rows each containing six Oerlikon 20-millimeter RTG guns. Its rate of fire is 2,600-3,000 rounds per minute. Each Meroka mount is associated with a stabilized optical sight and a Lockheed Electronics Sharpshooter fire control system equipped with a Doppler radar. The system is operator controlled and, therefore, has a longer reaction time to a threat than with the Phalanx which is fully automatic. Furthermore, the Meroka system has no associated search radar and hence this function is handled by the SPS 52C three-dimensional radar.

It should be noted the Matador aircraft is the Spanish version of the U.S. Marine Corps AV-8A Harrier.

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END